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ABSTRACT

This unit for high school students uses two dissimilar places in time; (2) Jamestown, Virginia, founded in 1607, one of the earliest settlements in the United States and (2) Disneyland, California, built in 1956, an institution of contemporary culture. The lessons address two fundamental questions in geography: (1) where? and (2) why here rather than somewhere else? Some of the geography objectives for the unit include to show the ways humans relate to their environments, the ways humans change their environments, and what gives value to particular locations in the world. Some of the economic objectives of the unit explain that some locations have more "value" to humans when they make their personal, social, and economic decisions; certain cultural assumptions or beliefs underlie economic decision-making; and how these assumptions or beliefs determine how natural resources are used. (DB)

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JAMESTOWN & DISNEYLAND

Two Places in Time

by E. Robert Scrofani
and Robert Tideman

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a historical model for learning some principles of economics geography

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JAMESTOWN/DISNEYLAND:TWO PLACES IN TIME

A Historical Model for Learning About Geography and Economics

Geographic and Economic Objectives for Jamestown and Disneyland

The geographic significance of place has been with us from the decision of the settling of our earliest settlements to the location of shopping malls."

Model Curriculum Standards in the California Social Science Framework, 1987

This unit uses two such dissimilar places in time, one, one of our earliest settlements - Jamestown - and two, Disneyland as an institution of contemporary culture. In a creative way it addresses two of the most fundamental questions in geography (l) where? and (2) Why here rather than somewhere else?

The Geography Objectives:

l) to demonstrate to students the "where" of two diverse human settlements - one in history and one in modern social history.

**** students will understand the reasons that determined the "where" (here and not there) for the location of both places - Jamestown and Disneyland.***
****students will understand the reasons that location is a very important concept in geography.***
****students will be able to relate this concept to other events in their own history as well as in the community.***

2) to show the ways humans relate to, and the ways they change their environments

**** students will understand the "landmarks" humans leave on the environment.***

3) to show what gives value to particular locations in the world.

The Economic Objectives: **Jamestown and Disneyland will demonstrate:**

l) why some locations have more "value" to humans when they make their personal, social and economic decisions.

2) how these locations become important to the wealth of a society and how control of a particular location can give power to some individuals in a society.

3) the use and application of the following terms: production and distribution; of wealth; the factors of production - land, labor, capital, wealth; the factors of distribution - rent, wages and interest; poverty, ownership as a concept and a reality.

4) that certain cultural assumptions or beliefs underly our economic decision-making, and how these assumptions or beliefs determine how we use our natural resources.

Jamestown and Disneyland provides opportunities for students to develop basic, creative and critical thinking as well as interpersonal and social participation skills.

Jamestown & Disneyland - Two Places in Time

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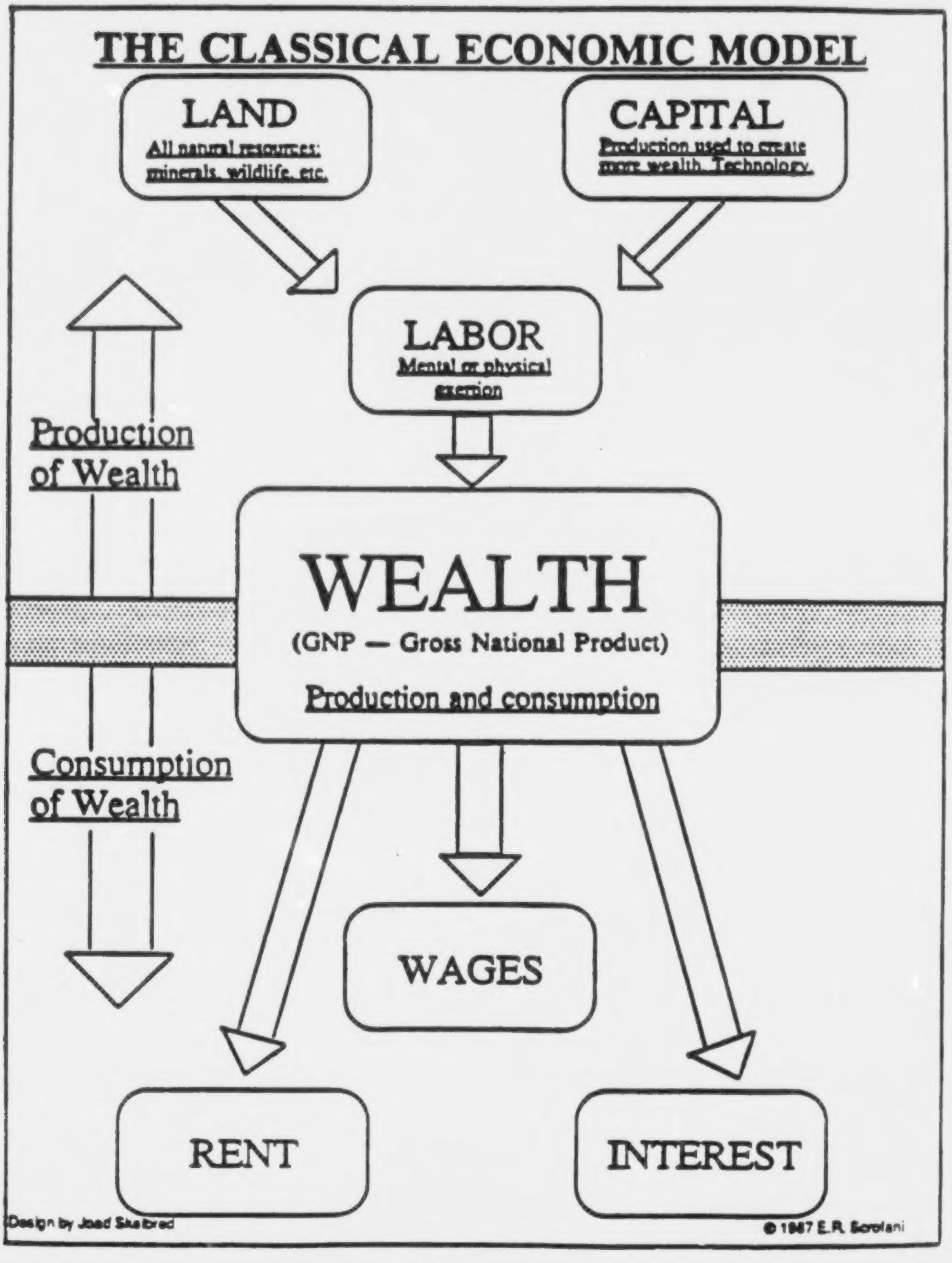
THE ECONOMIC WORLD OF ADAM SMITH

"There are three parts of produce and three original orders in society. The whole annual produce divides itself into three parts, the rent of land, the wages of labor and the profits of stocks (i.e. interest) and constitutes revenues to three different orders of people; to those who live by rent, to those who live by wages and to those who live by profit. These are the three great, original and constituent orders of every civilization."

Adam Smith in Wealth of Nations


THE CLASSICAL ECONOMIC MODEL
LAND
All natural resources: minerals, wildlife, etc.
CAPITAL
Production used to create more wealth. Technology.
LABOR
Mental or physical exertion
Production of Wealth
WEALTH
(GNP — Gross National Product)
Production and consumption
Consumption of Wealth
WAGES
RENT
INTEREST
Design by Joad Skalbred
© 1987 E.R. Scrofani

JAMESTOWN/DISNEYLAND:TWO PLACES IN TIME
A Historical Model for Learning About Economics

If every human desire could be satisfied by pushing a button, by taking a food pill or by simply wishing, most of us would soon get bored. It's the daily necessity for most of us to buy, sell, negotiate or trade, that makes life exciting. That's what economics is about: the buying, selling, trading and owning in life.

People spend a third or more of their waking hours at their work, hoping to become richer rather than poorer. Is it any wonder that economics is seen as one of the most important subjects you can study?

To understand our subject clearly, we will use the "scientific method." We will draw a set of related facts from a larger complex picture. This is what scientists do all the time. For example, Galileo dropped two objects - one light, one heavy - from the Leaning Tower of Pisa. He wanted to see how their weight compared to how fast they fell. But he was not concerned with the color of the objects or their shape. He focused on their weight and how long it took them to strike the ground.

In the same way, we will look at the economic side of human life. We will draw our facts from two incidents years apart: the founding of Jamestown, Virginia, in 1607 and of Disneyland, California, in 1956.

Don't let those places and dates mislead you. Economics is an important subject here and now because many people in the world today are hungry. Inflation and unemployment are terrible dragons that challenge new heroes to battle them. Economics is not about graphs and statistics. It's about a struggle for justice and human decency. Study it with care, and you are sure to find a dragon just about your size that you can slay to everyone's benefit.

SOME QUESTIONS THAT ECONOMISTS DEAL WITH

1. What goods and services should be produced? Who makes these decisions? How?
2. How should we produce and distribute them?
3. If we value equality and justice how do we fairly distribute the goods and services we produce?
4. How can unemployment and underproduction be avoided?
5. Why is there so much poverty in this wealthy country?
6. What groups in society need help from the government? What kind of help should be provided?
7. What should we tax in order to raise money for needed government services?
8. Should we protect local industries or support free trade?
9. What are our economic goals?

WHY A COLONY IN AMERICA ?

A report by Richard Hakluyt to the Queen of England in 1584:

- This western voyage will yield for us the goods of Europe, Africa and Asia.

- This enterprise will supply jobs for great numbers of idle men....

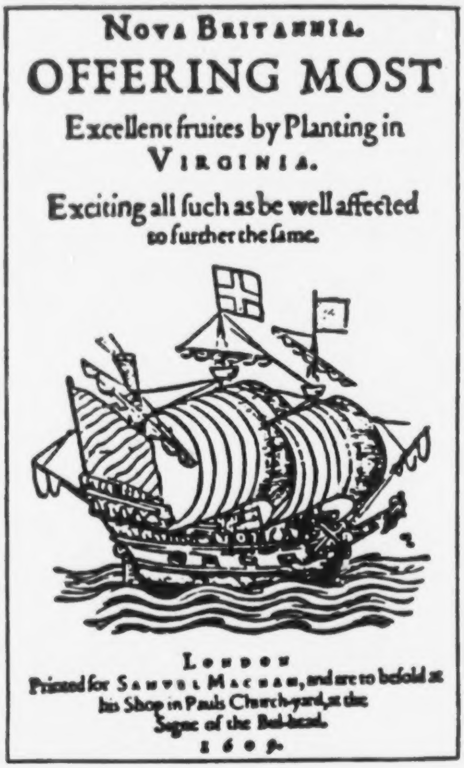
- This voyage will enable us to check the activities of Spain in the West Indies and in the fishing grounds off Newfoundland.

- Her Majesty may enlarge her taxes and other duties. These cannot be raised without much hardship.

- Exploration will increase the maintenance safety of our navy and our shipping which is our strength.

- Speedy planting in various places is necessary. Other nations may prevent us from doing likewise if they get there first.

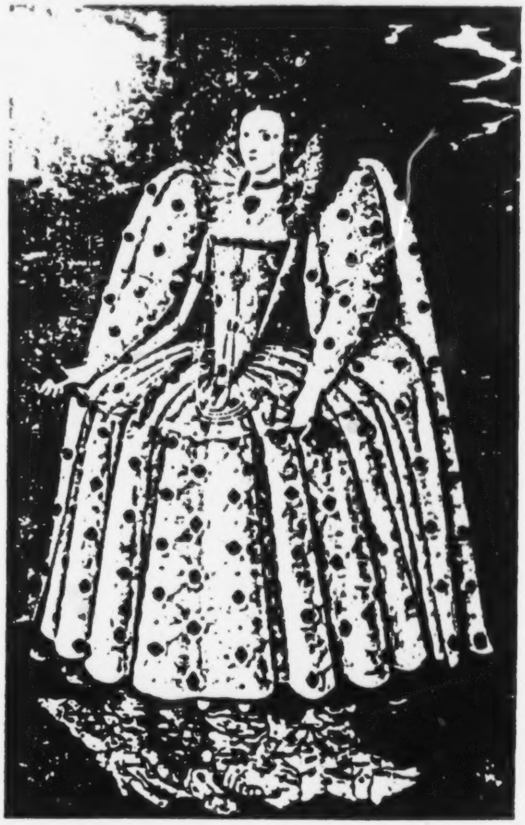
- The title of Queen of England to all the West Indies or at least to as much as is from Florida to the Circle Arctic is more lawful and right than the Spaniards'.



NOVA BRITANNIA.
OFFERING MOST
Excellent fruites by Planting in
VIRGINIA.
Exciting all ſuch as be well affected
to further the ſame.

LONDON
Printed for SAMVEL MACHAM, and are to be ſold at
his Shop in Pauls Church-yard, at the
Signe of the Bul-head.
1609.

Advertisement of a Voyage to America, 1609



Elizabeth I (1533–1603)

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The Jamestown Story

Elizabeth sat, filled with despair. A prisoner of the Pasha of Morocco, she was held in a room of the palace-fort high above the harbor of the City. The fort was strongly secured. Soldiers were everywhere, and she herself was watched constantly by guards. The guard on duty was especially unpleasant. She fiercely returned his stare, trying not to show how scared she was.

Suddenly a sword flashes through the air above the guard's head. Before he can move, it splits his body from shoulder to navel. With a blood-curdling scream, he crashes to the floor.

Now Elizabeth is screaming. Her screams bring more guards and armed men. Who are these men, who have surrounded her? Have they really come to save her? One of the men whispers "I've come to rescue you," and turns to defend himself. They are fighting for their lives against the palace guards. That is what they had been hired to do. Steadily they fight their way out of the palace.

They throw a cloak over Elizabeth to disguise her as one of them, mount their horses and charge through the fortress gate to safety. Now Elizabeth recognizes the leader of her rescue party who had first whispered the word "rescue" to her inside the palace. It is Captain John Smith. Once they had been slaves together in a Turkish palace but he had escaped.

Smith Famous in England

For his daring rescue, Captain Smith became famous throughout England, because Elizabeth was the daughter of an English Ambassador. At the time, Smith was only 23 years old. Already, he had been left for dead upon a battlefield; he had been sold into slavery, and escaped by killing his master. At this young age he had traveled far and wide.

As a famous hero, John made friends among a group of influential men who wanted to start a colony in the newly discovered land of "America." They formed a company and sold stock to wealthy people who expected to make a profit from the colony.

It took two years to raise enough money to outfit two shiploads of settlers for the voyage to the new land.

James I, the English king, gave the Company the "right" to settle on an enormous tract of land in America. It was an amazing promise, for King James knew little about the land, nor did he really control it. He told the Company it could send settlers between the 34th and 45th latitudes. They could settle or carry on trade to a distance inland of 100 miles from the Atlantic Ocean. They were granted a ***monopoly*** which meant they could exclude others from settling or trading in this vast area.

He also would permit the company to rule Virginia as they saw fit, but the settlers would have the rights of all Englishmen, including trail by jury and the right to own land.

8

The Search for Precious Metal

The Virginia Company was looking for gold and silver. They wanted to become as wealthy as the Spanish who controlled the rich gold and silver mines of Peru and Mexico. This wealth had made Spain the most powerful country in Europe. Because the English wanted to be more powerful than the Spanish, the settlers were told to ship back any precious metals they found.

Finally, in December 1606, two ships were ready and 120 Englishmen (no women) sailed down the Thames River and out upon the wintry sea for the long journey to Virginia. When they arrived five months later, only 104 were still alive.

The colonists were amazed when they saw the Southeast coast of America. Everywhere nature was generous. Everywhere were huge trees of many varieties for building ships and homes. Great sturgeons could be caught in the river, as well as luscious oysters, and mussels. Wild strawberries were twice as large as the ones at home. Flowers were abundant.

For two weeks they explored Chesapeake Bay and some of its rivers. Finally they chose a site about 30 miles upriver one which could be defended easily against attacks by sea or land. They named it "Jamestown," after King James.

"All things to do as in the beginning of the world..."

One settler who who recorded the first sights after the long ocean voyage wrote:

"We saw every hill and dale and every island full of gay woods, and high trees, fine woods and green trees...ripe strawberries and gooseberries and sweet roses. It was wonderful to behold so many islands, replenished with thick woods and high trees and many fair pastures."

That's what the land offered. To create wealth the settlers would have to work. "Plantations in the beginning have work enough...buildings, fencing, clearing and breaking up of ground, land to be attended, orchards to be planted, highways and bridges and fortifications to be made...all things to do as in the beginning of the world."

Now the work began. They unloaded their ships and began their new life. In their first reports, the colonists told of their progress. They had already planted their crops, sown their wheat, built some houses and fortified themselves against the Indians.

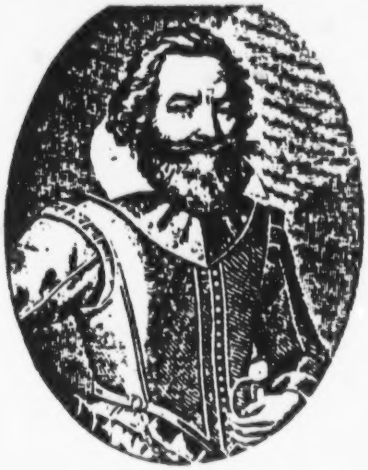
In the new colony, John Smith was an important member of the council which made rules and enforced them. He also continued the exploration of Chesapeake Bay and sent maps back to England. He learned the language of the Indians and traded with them. He exchanged tools and beads for the food that the colonists needed to keep from starving.

The first reports to England had been too optimistic. The hardships and dangers claimed many lives. In the first three years, the chances of remaining alive in

Jamestown were slim. Only one in every twelve would live. Half the original settlers died from Indian attacks or malaria. (Jamestown was located near a swamp.)

Things got worse as food supplies ran low. John Smith and a few friends went by boat to trade beads and trinkets to the Indians for food. Some of the Indians were friendly. Others were treacherous and cruel.

Approaching a new tribe, John Smith and his men, although fully armed, never struck the first blow. If the Indians fled, he would land his boat, leave his gifts, depart again and wait offshore for the Indians to return.



John Smith Smith led an exceedingly adventurous life. He fought with the Dutch against the Spanish in the Netherlands. He also fought against the Turks in Hungary. There he was wounded and left unconscious on the battlefield. The Turks captured him and sent him to Turkey as a slave. He escaped. It was after this that he became involved with the Virginia Company and the Jamestown colony. His unpopularity with the colonists led to his return to England in 1609. In 1614 he returned to America to explore the New England area. He wanted to establish a permanent colony there.

Smith was respected. He was considered a person to be trusted, but not provoked. When the Indians were friendly, so was he. When the Indians threatened or attacked, he defended the colony fiercely.

As more settlers arrived, the Indians knew they could make a better deal on the goods they traded to the settlers. John attempted to restrict the trade to hold the cost down. But the settlers ignored him. The Indians soon discovered they could get more goods in trade now that more people wanted the provisions they had.

The colony had more and more difficulty surviving. As President of the Governing Council, Smith tried to get everyone to do his or her share of the work. But many refused to hunt or even to gather food. Some were discouraged and refused to do any work. Instead they survived by trading away their valuable tools for food produced by the Indians. Nothing was put away for the future.

Smith was angry. He knew this behavior would destroy the colony. As governor he took quick action. His new law was short and to the point. ***"He that will not work, shall not eat."*** He applied the rule only to the able-bodied men. Every morning he marched the men into the fields to cultivate the crops or into the forests to cut wood.

Anyone who refused to obey him was punished. Those who worked, he rewarded; within three months a new well was dug, nets were made for fishing, a blockhouse was erected and the church got a new roof. The colony revived under Smith's harsh military rule, but Smith naturally made many enemies.

Later, when John was returning from a trip up the river, he was badly burned from a bag of gunpowder that ignited and exploded in his lap. He returned to England and never saw Jamestown again.

After Smith left, the colony fell apart. He left behind 490 settlers and ample food supplies. There were horses, sheep, goats, 506 hogs, poultry, tools, fishing nets, 24 cannons, 300 muskets and a supply of ammunition.

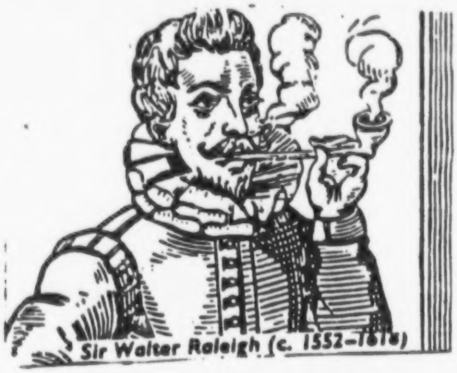
Six months later, most of the settlers were dead. Only 60 survived. The rest died of hunger, disease or were killed by Indians. The winter of 1609-1610 was so terrible the survivors later called it "the starving time."

When help arrived from England, the colonists begged so piteously to be taken home to England that the settlement was abandoned. The survivors were so bitter they wanted to burn what was left of Jamestown to the ground.

It was fortunate they did not. As they sailed down river on the way home to the open sea and England, the fleeing colonists met an incoming ship. It was the ship of Lord Delaware who was bringing 150 new settlers to Jamestown. The survivors groaned with disappointment. Lord Delaware made them return to Jamestown.

New governors had the same problem as John Smith. How to get the settlers to work? Finally Governor Delaware changed the rules so the people would want to work. Instead of everything going into the company storehouse, the colonists received some immediate rewards for working. Each settler was given three acres of land and a month of free time to cultivate it.

This helped a little, but most of the land finally fell into the hands of landholders who managed to put together large estates worked by hired labor.



Sir Walter Raleigh (c. 1552-1618)

After dealing with disease, the Indians and their own government, the settlers still had to earn a living. They finally decided in 1612 to make tobacco their cash crop. It could be traded for most of the things they needed from Europe.

The King was opposed to tobacco and called it a "stinking weed," but he permitted it to be brought into England where he made money by taxing it heavily. Tobacco was so popular and so desirable it was even used as money. The first two women arrived in 1608. When later ships brought more women (60 arrived in America in 1619) , many men paid their cost of transportation with tobacco.

As you have seen, the very lifeblood of the settlement at Jamestown was economics: working, trading, buying and selling.

DIARY OF LIFE IN JAMESTOWN

"The allowance in those times for a man was only eight ounces of meal and a half a pint of peas for a day, the one and the other moldy, rotten, full of cobwebs and insects loathsome to man and not fit for beasts.

"Many were forced to flee for relief to the savage Indians. If they were captured, they were put to death by hanging, shooting and breaking upon the wheel. Others were forced by starvation to steal for their bellies, of whom one for stealing 2 or 3 pints of oatmeal had a nail thrust through his tongue and was tied with a chain to a tree until he starved. If a man through his sickness had not been able to work, he had no allowance at all, and so consequently perished. Many, through these difficulties, being weary of life, dug holes in the earth and hid themselves till they died of starvation.

"We cannot for this, our scarcity, blame our commanders here since our food was supposed to come from England.... So little did we have that we were forced to eat dogs, cats, rats, snakes, toadstools, horse hides and whatnot. One man, out of misery that he endured, killed his wife, salted her up to eat her, for which he was burned.

"Those who survived... these first years were forced to serve the colony, as if they had been slaves, 7 or 8 years for their freedom."

Source: Tyler, Lyon. ed. Narrative of Early Virginia, 1606-1625 pages 422-424 Charles Scribner's Sond, 1907

A HARSH CODE TO LIVE BY

The new settlers in Jamestown had to live by a code of pains and harsh penalties. It was ordered by the Company's council in England.
The death penalty could be applied for these crimes.

1. Blaspheming God
2. Traitorous words against the King
3. Murder, rape or adultery
4. Perjury or bearing false witness
5. Desertion of the colony
6. Theft - even robbing a garden

Other penalties:

7. If you, on more than one occasion, used God's name in vain, or swore in a profane manner, you could have a needle thrust through your tongue. You could be executed if you committed this offense three times.
8. If you were absent from public worship on Sunday you could be whipped and deprived of a week's allowance. If you were absent three times, you could be put to death.
9. If you failed to give the minister an account of your faith, or did not take his advice in matters of religion, you could be whipped daily until you repented your stubbornness.
10. If you were a public baker, cook, fisherman or laundryman you could be whipped daily if you did not do your job properly.

Summary Questions: Jamestown

1. What risks were involved in the exploration and settlement of North America?

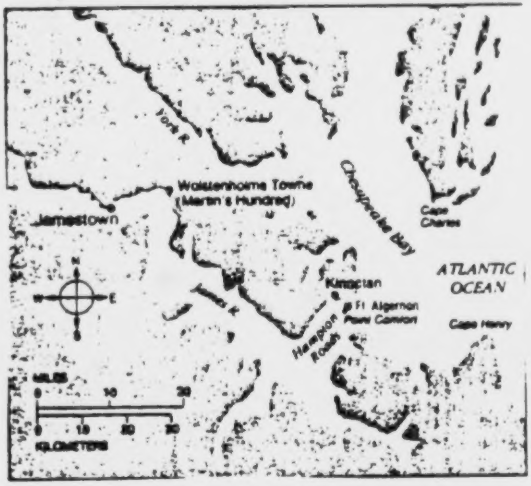
2. How are space and undersea explorations today like exploration of North America five hundred years ago? How are they different?

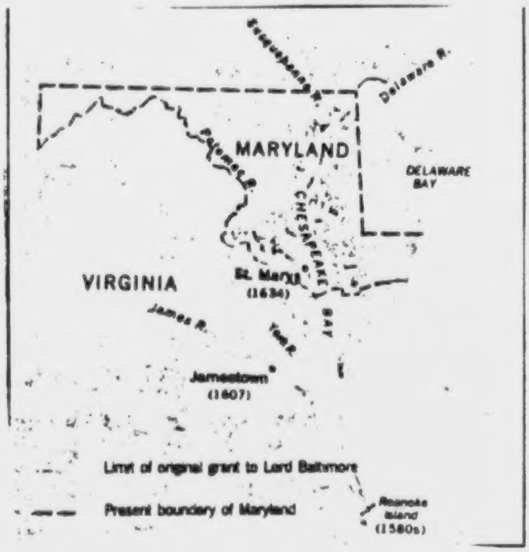
3. Why do people want to explore the unknown?

4. Which kind of life would you rather lead?
   a. a safe, careful life that gave you little chance of losing or winning very much money
   b. a risky life that offered you the chance to win a fortune

5. Would it have helped the colonists if a shipload of food and goods had arrived from England every week? Who would have had to pay for this food? Would the settlers have traded so much with the Indians?

Early Jamestown 1607–1622


York R.
Wolstenholme Towne
(Martin's Hundred)
Jamestown
Chesapeake Bay
Cape Charles
ATLANTIC OCEAN
Kecoughtan
Ft Algernon
Point Comfort
Cape Henry
James R.
Hampton Roads
MILES
0 10 20
0 10 20 30
KILOMETERS


Susquehanna R.
Delaware R.
MARYLAND
Potomac R.
DELAWARE BAY
CHESAPEAKE BAY
VIRGINIA
St. Marys
(1634)
James R.
York R.
Jamestown
(1607)
Limit of original grant to Lord Baltimore
Present boundary of Maryland
Roanoke Island
(1580s)

But let's look now at a very different example in modern times: the magical world of Disneyland in the sunny land of Ssouthern California

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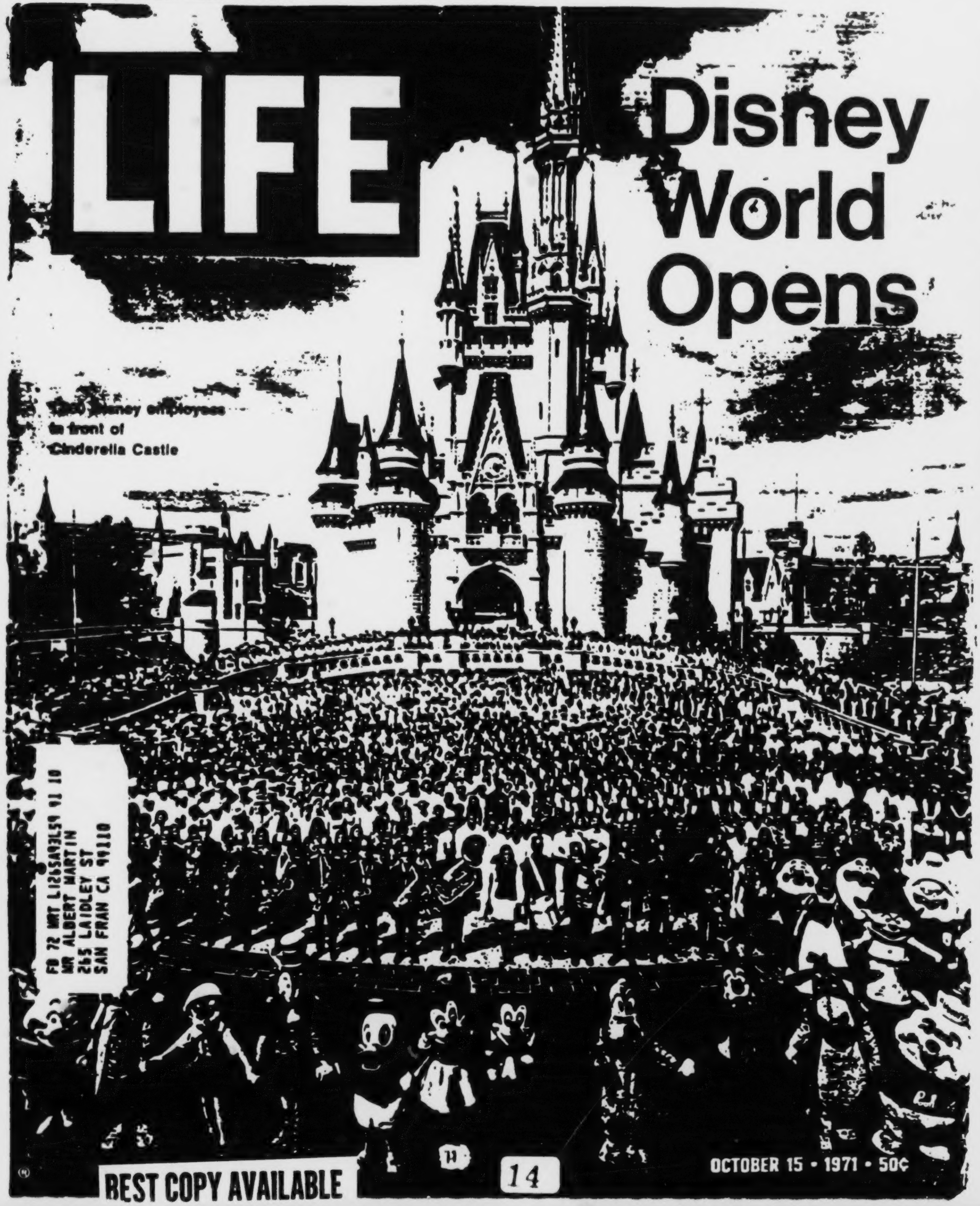
The second Disneyland opens in Florida. In a few years the European Disneyland will open in France, outside Paris.


LIFE
Disney World Opens
[illegible] Disney employees in front of Cinderella Castle
FD 72 MRT L1265A93L59 91 10
MR ALBERT MARTIN
265 LAIDLEY ST
SAN FRAN CA 94110
OCTOBER 15 • 1971 • 50¢

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DISNEYLAND: A Modern Scenario

It was going to be a long train ride. Early in 1927, Walt Disney and his wife boarded a California train to New York expecting to sign a new contract for his animated creations "Alice in Cartoonland" and "Oswald the Rabbit." There was no new contract. His agent tricked him by copyrighting the cartoons in his own name. So now he controlled Disney's business. Then he even lured four of Disney's cartoonists to work for him.

Before boarding the train in New York, Disney wired his brother in California, "Coming Home, Everything OK." But was it? Was Disney also trying to keep his brother Roy from worrying before he could explain?

On the train he had an idea. It was to become known to millions in movies, cartoons and on TV. For, at this difficult time, Disney put together some new ideas and created *Mickey Mouse.*

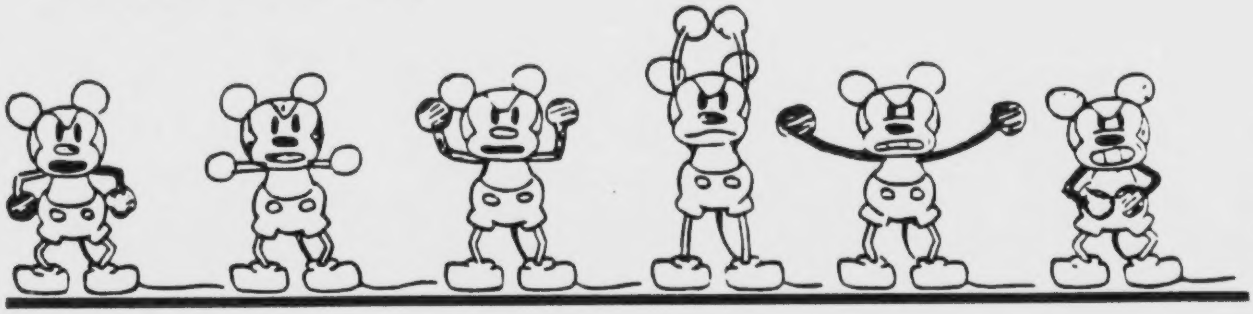
Disney wrote soon after: "But was I downhearted? Not a bit! I was happy at heart. Out of the trouble and confusion stood a mocking, merry little figure. It was vague and indefinite at first. But it grew and grew. And finally it took form... a mouse. A romping, rollicking little mouse."

"The idea completely engulfed me. The wheels turned to the tune of it. Chug, chug, mouse, chug, mouse, the train seemed to say to me as I daydreamed. The whistle screeched it. A m-m-mowa-ouse it wailed."

By the time the train reached the Middle West, Walt Disney had dressed his dream mouse in a pair of red velvet pants with two huge pearl buttons. When he and his wife and a few friends first thought of it, the considered naming the mouse Mortimer. But that didn't seem to fit. And so *Mickey Mouse* was born.

Since animation was a new skill in those days, Mickey Mouse had to have a simple design. Walt Disney describes him: "His head was a circle with an oblong circle for a snout. The ears were also circles so they could be drawn the same no matter how he turned his head.

a first drawing



"His body was like a pear and he had a long tail. His legs were pipestems and we stuck them in big shoes, to give him the look of a kid wearing his father's shoes. We didn't want him to have mouse hands because he was supposed to be more human. So we gave him gloves. Five fingers looked like too much on such a little figure so we took one away"

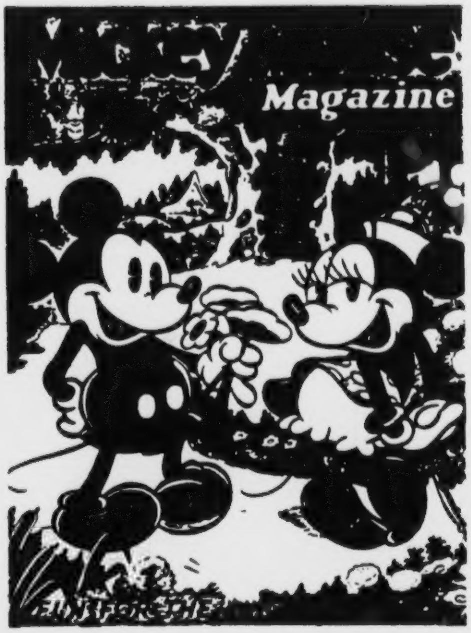
To provide a little detail, we gave him the top button pants, There was no mouse hair or any other frills." The result for Disney was a relatively easy cartoon to animate since they had to produce about 700 feet of film every two weeks.

It may seem like hundreds of years ago, but it was only in 1927 that the first movie in sound, "The Jazz Singer," was made by Warner Brothers. Walt Disney and his brother did not waste any time adapting to the new invention.

Mickey and Minnie Mouse made their debut in 1927 in "Plane Crazy," followed by "Gallopin' Gaucho," and finally in sound with "Steamboat Willie."

When a silent movie was shown at the local theatre, a piano player always provided some musical accompaniment. Disney realized a new art form was coming, and he wanted to be there at the beginning. He made an effort to balance the picture and the new sound track so that both picture and sound would be in harmony. His cartoons featured classical and semi-classical music.

In his third Mickey Mouse film, "Steamboat Willie," Disney had a barnyard concert. In a later film, Mickey Mouse led the "William Tell Overture" while carried aloft by a cyclone. Now the mouse was getting top billing on movie marquees, the first time for a short cartoon. Mickey Mouse was delighting the world audiences in many different languages.



One thousand newspapers printed Mickey Mouse cartoons and 40 different countries had Mickey Mouse clubs. In 1935, the League of Nations, an international peace organization, presented a medal to Disney praising his mouse as "a symbol of international good will."

By the 1930's, millions of people in the United States were out of work. A depression had hit America. Banks were failing. People were losing everything they had. Yet Disney continued to prosper. People wanted movies to take their minds off their troubles. In those hard times for most Americans, his staff increased from 150 to 750 employees.

And in 1935, Walt Disney had a new idea. He decided to do a full-length cartoon feature called "Snow White and the Seven Dwarfs." Most people, including his family, thought he was a fool. They called "Snow White" Disney's folly. But Disney's own intuition and imagination told him he was right.

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By now, most of us have heard of "Grumpy," "Bashful,""Dopey," "Sneezy," "Doc," "Happy" and "Sleepy," all different personalities distinguished by their special names and unique habits. Disney gave them "real" personalities when he transferred them from the fairy tale to the screen. Most of his advisors thought dwarfs weren't "nice," and that people wouldn't sit through a long cartoon. Disney took his chances. Snow White took five years to finish, but people loved it.

Snow White was his most expensive film at the time and required a new studio to produce it. "Snow White" is now considered by many to be his finest cartoon feature and still is one of the company's biggest money makers.

Disney made money with other things besides his films. All of the toys, T-shirts, monograms and anything else which has the dwarfs or Snow White on them makes money for the Disney studio. Today there are airplane tie-ins, cruise-ins and everyone from kings and emperors to company executives (including Disney executives) wear Mickey Mouse watches.

President Bush and Mickey Mouse

Disney characters are so popular on television, particularly in Asia that when President Bush made his March 1989 trip to China, he scheduled his live television interview to precede the broadcast of "Mickey and Donald" a package of cartoons in Chinese. "We all agreed it was the best possible time," said the President's press secretary. "The majority of viewers (maybe as many as 400,000,000) will be tuned in for this to watch Mickey later."

Lots of other characters followed Mickey Mouse; Minnie Mouse, Pluto and Donald Duck. Many more fully-animated movies followed. "Cinderella," "The Three Little Pigs," "Alice in Wonderland" and "Pinocchio."

Despite his many early successes and innovations in his field, Walt Disney looked for new challenges constantly. In his personal life, Walt Disney was not considered an easy person to know. He had a few close friends, his family and a very close relationship with his brother Roy. His brother was also his chief advisor and his business partner.

Disney particularly enjoyed his daughters and often took them on outings. Often they went to outdoor amusement parks, such as the one at Santa Monica in California. The rides were the usual whirling rides, a ferris wheel, roller coaster, and bumper cars.

But Walt Disney thought the rides were too limited. "All they think people want is to be thrilled. Why can't they appeal to our imagination and love of beauty?" And so the germ of an idea began.

He watched his daughters laugh and enjoy the bumping cars, but he also noticed the dirt and the grime of the place. He made a mental decision then, that someday he would build an amusement park that was clean, imaginative and interesting for adults and children.

By 1950, Disney was finally in the position to carry out his dream. His daughters were already grown but he had grandchildren who could enjoy Disneyland. Disney made his plans carefully. His brother Roy was not sure about this new idea, even though Walt had been right in the past. So he only permitted $10,000 of studio funds to be spent on the initial planning. Walt borrowed on his insurance policies to raise more money. Then he hired the Stanford Research Institute to find a site for Disneyland.

The consultants recommended an area South of Los Angeles in Orange County, which at that time, was still mostly orange groves. There was a new freeway planned near one of the proposed entrances to the park, and when the freeway was built it would only take about 27 minutes for the millions of people living in the Los Angeles area to drive to Disneyland.

This is what the memo may have looked like
MEMO TO: Stanford Research Institute
FROM: Walt Disney

Please find me the best spot for my new amusement park. I would like you to check on the following:

1. the kind of neighborhood
2. the price of the land
3. the location of utilities - gas, electric, water
4. the topography
5. the population of the future
6. the freeway patterns
7. the temperature in summer and winter
8. the taxes I'll have to pay
9. the amount of smog in the area
10. the legal restrictions on building my park

The study ruled out the densely populated Los Angeles area because land costs were too high and the San Fernando Valley nearby because it was too hot in the summer. Orange County was not only accessible, but land was still inexpensive there. Orange groves could be bought for only hundreds of dollars an acre.

Disney finally settled on a parcel of land near the small town of Anaheim. The town was nationally known because Jack Benny, a radio comedian, used to have a running gag about an imaginary train running through the citrus area of Southern California: "Train leaving for Anaheim, Azusa and Cucamonga." The names of the towns, which caught the fancy of the listening public were real, but the train ride belonged to the imagination of Benny's gag writers.

Find Anaheim and Orange County on a Map of California

The original 160 acres were owned by 20 families. It took Disney two years to put his land package together before he could start his park. Disney encountered other difficulties. Most people in the amusement park industry thought he was crazy. The banks were very reluctant to lend him money for his scheme.

Inventive as ever, Disney went to the companies that would sell food and drink at Disneyland. They had more imagination and trust in Disney than the banks and they took five year leases on locations in the forthcoming Disneyland. Disney used these leases as collateral against loans the banks were now willing to make.

ABC and Disney Team Up to Make Disneyland

But Disney hit on another scheme. His brainstorm would provide him the cash to build his park and make his new park famous, all at the same time. He turned to TV. Disney was well known and would be a big draw on TV.

At this time, ABC, the American Broadcasting Company, was behind the two other powerful TV networks, NBC and CBS, and badly wanted a new hit. So ABC and Disney made a deal which would give each side what it needed.

Disney needed money and TV to tell millions of people quickly and continuously about Disneyland. So he agreed to produce for seven years, a weekly one-hour television show to be called "Disneyland" for ABC. And ABC gave him the right to publicize his new park and his films on the show, an incredible bonus for Disney, who would be paid for advertising his own firms. Under a separate agreement, ABC also agreed to buy shares (almost a third of them) in Disneyland, Inc., a new company which Disney started in 1951.

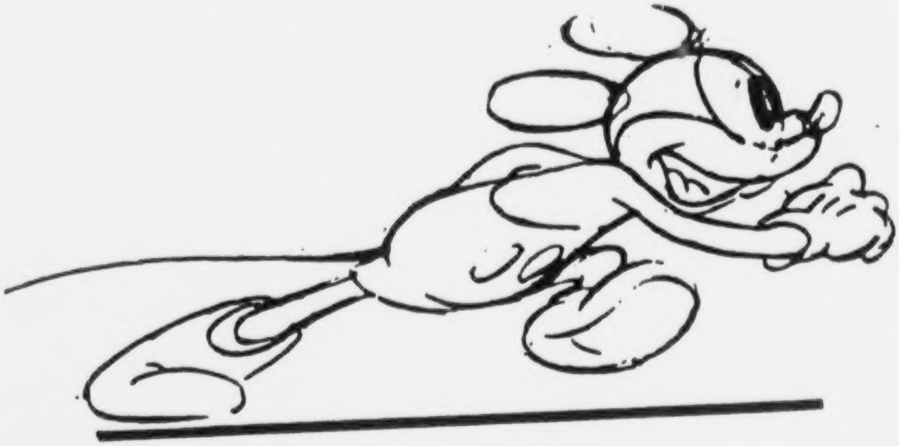
The deal was very profitable for both sides. ABC had two hits on its hands. ***Disneyland*** went on the air in 1954 and immediately climbed to the top ten TV shows based on the number of viewers.

The park itself, promoted by the TV show for a year before it was even opened, was an immediate success. It grossed $20 million a year during the first ten years. Disney was able to spend almost $33 million on expansion during the same time. It was quite a change for the man who had to borrow on his insurance policy when he first started the land purchases for Disneyland.

The public loved this new concept of an amusement park. It began with its= "American Main Street" which leads to four lands: Fantasyland, Adventureland, Frontierland and Tomorrowland. There was no ferris wheel or roller coaster, but there was a bobsled ride through a scale-model Matterhorn Mountain and a submarine ride "underwater" complete with a giant squid, octopus and polar ice caps.

In the first six months, a million people walked through the gates of Disneyland. In the first full year, 3 million people went to the park. By early 1976, Disneyland had its 150 millionth visitor. Each year Disney land has added more rides. And each year the park has grossed more income.

When Disneyland opened in 1955 to viewers on Television, Disney promised "Disneyland would never be completed as long as there was imagination left in this world." In 1988, the parks in California, Florida and Toyko attracted 50,000,000 people. In 1992, on a site in France, 1/5 the size of Paris, a new Disneyland will open - Euro-Disneyland. It will open with a European TV special on Easter of that year. They expect more than 10,000,000 Europeans to attend in the first year alone. **There is still imaginatioin left in the world!**

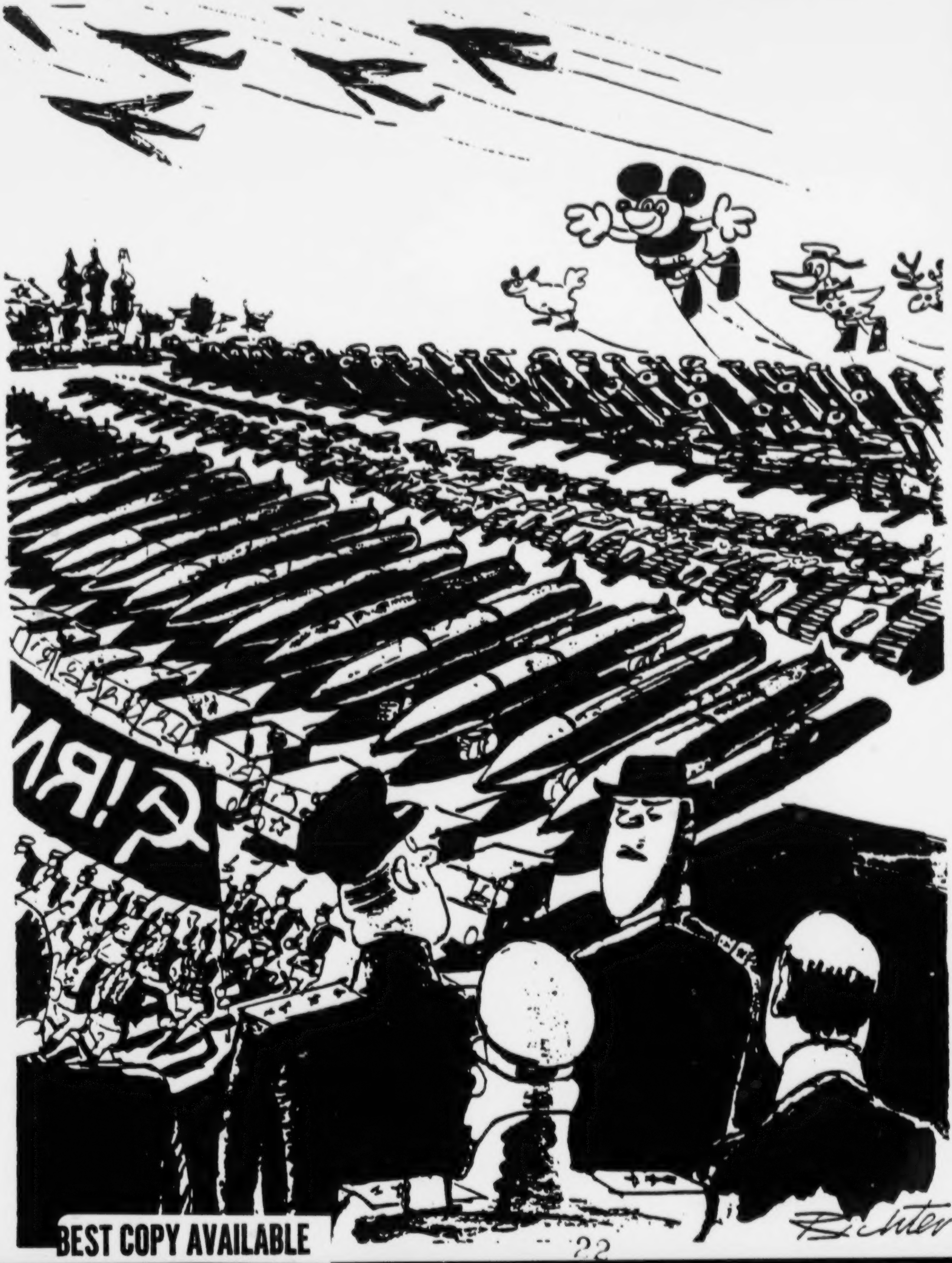


Some activities for Chapter 1: Disneyland and Jamestown

1. If you were leaving your town and going to an unknown place
a) What would be your reasons?
b) What ideas or beliefs would be important for you to take with you?
Example: "The way to get ahead is to work hard."
c) What ten things would you take along that you would consider important for survival?
d) Which of your friends would you take with you? How would you choose them?
e) Most settlers had many rules when they landed in the New World. What would your rules be? Try to get a consensus. Here's a way to do it.
(1) On a card quickly write two rules.
(2) Join one other person, match your rules and come to an agreement on two.
(3) Leave your partner and join two new people and come to an agreement on three rules.
(4) Finally, in a group of five (new people, if possible) come to an agreement on five rules.
(5) Rank your rules (1-5) in order of importance to you. Report these to the class, and as a total group come to a consensus on the rules.

2. Sit quietly for a few minutes and imagine a journey to a new place, the problems and pleasures. Now write a letter to a friend describing whether you're glad you left, the old place or not.
3. If Lord Delaware had not come when he did and returned the colonists to Jamestown, what would the settlers have told their friends in England? Write a newspaper article, or draw a cartoon reporting their return.
4. Walt Disney created a great number of imaginary animals and had them act just like people. Pretend to be a Walt Disney character (Mickey Mouse, for example), and write a short diary of the exciting things that happens to you after you are "created."
5. Obtain a map of your area or state. Set up two committees. One would represent a developer of amusement or theme parks. Another would represent your city's residents.
Developer - Where would you place the park?
Citizen - Would you support or oppose this park?
6. Pretend you live in Southern California. Make a chart that lists why the following people would or would not want a Disneyland: developer - homeowner - orchard grower - real estate operator - businessman - worker - environmentalist - senior citizen - a kid (age 10) - a young adult (age 17)
7. You are a motel operator. You want to get a new hotel near Disneyland. What would determine the price of the land on which you locate?
8. Make a chart labeled "Disneyland/Jamestown," - list as many requirements that you can think of for survival.
9. List as many similarities as you can between the activities in the two stories.
10. Make a journal of all the ads and tie-ins with Disneyland that you can find in the newspapers and magazines. What information would you add to this story?

A new Russian term Glasnost has become part of the American and the world vocabulary. It means to be ope to new ideas, expressions and cultures. What is this cartoon saying about Mickey Mouse and Glasnost ?



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Chapter 2

Economic Principles in Jamestown and Disneyland

It may seem difficult to find any orderly pattern in the economic life of either Jamestown or Disneyland, and all but impossible to find a pattern that would fit both of them. How can the struggles of a little band of men on a wild Atlantic coast 350 years ago be compared with the modern Disneyland success story? Let's try....

First, both stories are about human beings. They have that much in common.

Second, the people in both stories were trying to "make a living." They had other motives too. They wanted to gain and keep the respect and the love of others. John Smith and Walt Disney also worked to produce what other people would want to buy.

Third, both stories are tied to particular places. Jamestown and Disneyland are locations on our planet earth. Both locations were chosen carefully for features that were expected to bring the greatest return for the least effort.

Fourth, in both stories tools and supplies were used to make their production more efficient. The ship that deposited Virginia's first settlers was loaded with hatchets, kettles, seeds, colored beads and other things brought by the London Company. The settlers, after landing, hoped to maintain this stock and add to it by building houses, planting crops, mining gold and trading with the Indians.

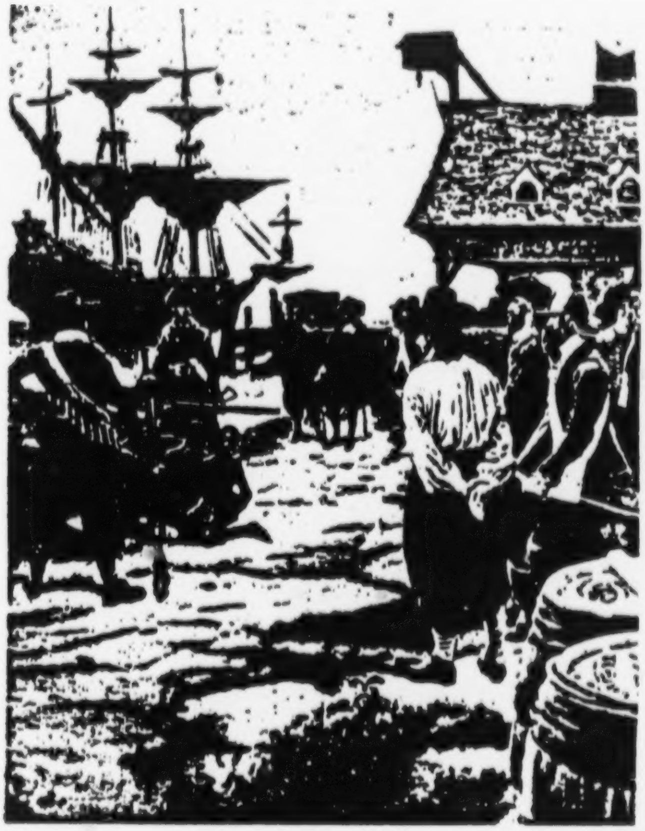
Apart from his ideas, Walt Disney brought many material things to Disneyland. Machines contoured the land, scooped out lakes, and built Main Street and the various rides.

Fifth, both stories tell about people who expected to get something for the work they did and the money they loaned. They expected to reap where they sowed.

Thus both stories were about
PEOPLE
MAKING A LIVING
by PRODUCING
VALUABLE THINGS
AND SERVICES
from LAND
by LABORING
and SAVING
for REWARDS

To be sure, the stories contained more than this. After all, life is too complex to sum up under eight simple headings. But these elements were present in both stories. In the following chapters we shall try to show that they are present in every society. They are the basic elements of ECONOMICS.

Chapter 3.1 PEOPLE



The first blacks arrive in Jamestown.

The first element is people or "society" as we sometimes say. (That's really just you and I and all our neighbors.) Economics is about people, so before you begin the study of economics, you have to know what a human being is. Human beings come in different colors and sizes; different sexes and conditions and nationalities. Just remember that we are all ***human*** and that we are all members of ***society.***

This is true even though Virginia and many other states once treated some Americans as if they were not totally human, and could be treated as property. Jamestown's first slaves- 20 in all - arrived in 1619 on a Dutch warship. In 1650 there were still only 300 blacks but by 1700 14% of Virginia's population was slave. By 1790 there were 758,000 blacks in the colonies. Mostly slave, they were about 19% of the population.

MAKING A LIVING BY PRODUCING

The second element in both stories is about "making a living by producing." The Jamestown settlers earned their living in many different ways. Some people farmed, some hunted, some caught fish. Others cut lumber or built houses or traded with the Indians.

In Disneyland today some people cook food and some serve it. Others sell tickets or help direct the crowds. Many clean and sweep and paint, and oil machinery or repair it when it breaks. Others create and maintain the fantastic voyages that draw us to the Disney theme parks.

All these different ways of making a living are somewhat the same insofar as all are work. All are tiresome when continued for a long time. All result in a product or service that others voluntarily purchase.

Some of these activities just move products from one place to another, but this is also important work. The men who cut down cedar trees in Jamestown under John Smith's direction were no more important in the production of lumber than the men who hauled the logs to the dock and loaded them into the ship.

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A ton of coal at the mouth of a mine is more valuable to people than the same coal underground. The same ton of coal at a steel mill a hundred miles away is even more valuable. What contributes to this additional value?

The Work of Bringing Cattle to Market Labor Adds Value

In the West following the Civil War, the value of Longhorn cattle increased as it got closer and closer to the consumer.

Place	Value
South Texas	$ 5.00 a head
Slaughterhouses:	
Chicago,St.Louis and Kansas	$ 50.00 a head
The East	$ 100.00 and up per head for dressed carcasses

At what points did labor add value to the tobacco grown in the Jamestownsettlement?

The recent book and Television Special Lonesome Dove was about a cattle drive. The work of the couwboys added great value when they drove the cattle closer to homes of consumers.

These examples suggest another way of measuring lumber or coal. Instead of counting in boards, in feet, or tons, we can measure it in dollars. Dollars give us a way of measuring products or services of any kind. Any activity that adds to the value of things or services is called production.

When Values Fall

In the 1930's, during the depression, many farmers killed their pigs because it cost them more to raise the pigs than they could sell them for at the time. By reducing the supply of pigs, farmers hoped the market price would go up.

***In this exceptional case, should we call this production?
What causes some people to do this while others are hungry?***

A woman who sells hot dogs in Disneyland is producing. The meat and roll that she serves people are the same meat and roll that were delivered earlier to her stand. But she has done the necessary labor of assembling them, waiting for customers, passing them over the counter all day long and ringing up each sale on her cash register. She is a producer as much as a coal miner in Pennsylvania or a steel worker in Gary, Indiana.

Voluntary Trade

The transaction between people must be a voluntary one. John Smith went to the Chickahominy Indians, offering to trade his wares for food. The Chickahominies said they needed their food and did not want to trade. Smith then changed his story and said he came to take revenge for their killing two of his men, then forced them

to take his beads in exchange for food: John was not behaving as a producer that time, desperation had turned him into a robber.

Robbery Can Be Work but It's Not Production

In some ways robbery is like productive work. Hijacks and holdups can be just as exhausting as eight hours on a regular job. But there is an important difference between producing and robbing. One adds to the wealth of the community. The other does not. Some of the Jamestown settlers lived by stealing. Perhaps some people steal in Disneyland today. It is always possible for some to live by stealing. But since stealing adds nothing to the wealth of the community, it is impossible for everyone to live by stealing, for then there would soon be nothing left to steal.

A last point: Production does not include the making of things nobody wants. If I make "things" that no one buys, now or ever, I may seem to be working. I may get tired. But the desires I satisfy are mine alone. My intentions may be good, but in fact I am not earning my way any more than the idlers of Jamestown. Production is the supplying of products or services that others will voluntarily purchase.

Production: People Produce for Rewards

"Give a man security that he may reap and he will sow...assure a man of possession of a house and he will build it. These are the natural rewards of labor. It is for the sake of reaping that men sow; it is for the sake of possessing a house that men build." **Henry George**

"The principle of individuality, or to use a less winning term, of selfishness, lies at the root of all voluntary human exertion. We toil for food..for property...because we know that the fruits of our labor will belong to us or to those who are most dear to us. " **James Fenimore Cooper**

So far, we have looked at "production" as if it moved along by itself, like a car rolling downhill. However, we know from history and from current events that production is neither continuous nor even. We have "good times" and "hard times" when production goes up and down. In different countries and in different parts of the same country, production is high and low.

We can take a big step in understanding these differences if we stick to fundamentals and remember what production is and why it happens. Production is not a great unthinkable machine. It is people doing things. Production is people working and waiting in ways that help produce valuable goods and services.

People do not work or wait for the fun of it; they work and wait for rewards.

The point is illustrated by an old legend about a King Sisyphus of ancient Corinth who was condemned in Hades to roll a large stone up to the top of a hill. When it reached the top it rolled down again. He had to push up the stone over and over for eternity, only to see it roll down each time. When economists say people work and wait for rewards, they are just saying that nobody wants to be like King Sisyphus.

People may work for many reasons: habit, religious purposes,, fulfillment, etc., but in general people work for rewards. A worker who is denied a reward or kept in the dark about who is receiving the rewards of his production, will soon lose heart. A generous person may give away most of what he/she produces but stop producing if it is taken away. One can not satisfy generous impulses unless one first gets something to give.

In the revolt of English peasants in the 14th Century, one of their leaders, Jay Ball asked, ***" We plant the grapes, but who drinks the wine; we build the castles but who looks out the windows? No, when Adam sowed and Eve span, who then was the gentleman?"***

In some societies in history, punishment has been substituted for rewards as a "motivation." But this is not a clever system. Punishment generates resentment and less production. Workers only do what they must to avoid the whip. Easy living corrupts the masters and wastes their talents. A much higher standard of living is possible where people treat each other as equals, producing and trading with one another instead of doing violence.

Working Without Rewards

Landon Carter (1710-1780) held a plantation near Richmond, Virginia which grew tobacco and other crops. He had a number of servants and slaves. The following is from his diary:

Tuesday, February 20, 1770

My spinners, thinking I was gone yesterday, spun only two ounces apiece instead of their usual days work. The three spinners were whipped this morning. My foreman will check on them each morning I am gone.

Thursday, September 20, 1770

Manuel is a villain and must be whipped. He broke the Oxtree of the tobacco cart by driving it into a ditch. He has not half raised the tobacco house floor although he has been a week about it. And he has not been plowing the field although it was ready. He pretended the grass roots were in his way. Whipped he shall be.

Try to think of the different ways that would encourage you to work more or to work with more care, or to increase your production. What rewards would you seek?

Production + Rewards = More Production

If we remember that production is undertaken for rewards, we can begin to explain why production varies so much from place to place and time to time.

Keep in mind two points from our previous analysis:
1) Production takes two forms - working and waiting.
2) Working and waiting can be productive or non-productive depending on how they are directed.

The Virtue of Profits

Like it or not, the profit motive is a powerful human drive. The capitalist market system of the United States and in other countries thrives because it is built on this basic principle.

Even Karl Marx, who believed workers were exploited under capitalism says that the market system propelled by the profit motive is the greatest production machine the world has ever known. *The* *__bourgeoisie,__* *the new middle class ,"has created more massive and colossal productive forces than have all preceding generations."*

Some people say capitalism can be defended easily because it is simply how people act. Even in the USSR the government permits farmers on collective farms to cultivate small private plots in their spare time and sell the produce for their own profit. On these plots which are only 4% of the fertile land, farmers produce 25% of the food in the USSR.

Both the USSR and the People's Republic of China now are giving the peasants a greater share of the produce to increase production.
Watch for newspapers TV stories about these fundamental changes.

Profits or other incentives are essential to any economic progress. A product or service that is sold for exactly the cost of producing it yields nothing. Where then would increased wages, new machinery or research for new products come from? Only profits can finance those whether in a capitalist or socialist country.

- ***Do you agree that the profit motive is a powerful human desire?***

- ***What other motives do we have for achieving and producing?***

Producing in Jamestown

When John Smith became the president of Jamestown, the colony was on the verge of disaster. Not enough colonists were doing the necessary work. Instead of maintaining their stocks or adding to them, the people of Jamestown allowed consumption to outrun production and stocks ran low. many individuals in the colony who were eating at the common table discovered that they could get by without working. Those who worked every day found that they were no better off than if they had joined the loafers.

Accustomed to army life, Captain Smith boldly took command and denied food to those who would not work. In his rough and ready way, he was an economist. He realized that people produce for rewards. He saved the colony from extinction by insisting that what was produced would go to the producers. Production in Jamestown took a sudden leap when that simple principle was followed.

Smith's Orders:

"You must obey this now for a law, that he that will not work shall not eat (except if by sickness he is disabled), for the labor of thirty or forty honest and industrious men shall not be consumed to maintain a hundred and fifty idle loiterers.

"The sick shall not starve, but equally share of all our labors; and he that gathereth not every day as much as I do, the next day shall be set beyond the river, and be banished from the fort as a drone, till he amend his conditions or starve."

The Jamestown settlers, most of whom were not workmen, idled over their jobs. Their first task was to plant crops. They had enough seed, but first they had to clear some forest land with their meager hand tools. Cutting down a tree is a difficult task.

Despite their need to plant food in order to survive, these earliest settlers cleared only four acres before the first winter.

When Captain Newport made his first voyage in January 1608 with additional supplies and settlers only 40 of the original 104 were still alive. Among the problems of the colony the most critical was the lack of incentive to produce. Many asked, "Why should I work for the company for seven years instead of myself?"

A New Reward: Land

In 1611 a new governor sent by the King to Virginia tried to increase the incentives by giving each settler an immediate reward for his labor. Each received three acres of land and one month free time to cultivate a personal plot. In addition some corn was alloted from the common store.

Before 1670, Virginia was a colony of small farms. The average settler owned a few hundred acres which he worked with his sons and a few servants. Freed servants often became small planters in turn. However, an order of free farmers was still not created.

Tobacco was more profitable than wheat so many people wanted to plant it rather than food crops. Influential Englishmen were given large tracts of land on which they grew tobacco. They imported more English laborers who worked seven years without pay. By 1700, Virginia was controlled by a new class of planters whose estates consisted of thousands of acres. ***When this group dominated Virginia, it became a society of the rich and the poor, landholders and landworkers.***

John Smith once complained of idlers who would rather starve than work. After the land was given away, new idlers arose who never starved. They worked when they felt like working and lived on the labor or rent from others when they didn't feel like it.

The Landowners Oppose a New Colony in the West

After 1783, Virginia and the other English colonies had matured and England had won a war with France. It now controlled by force all of the territory to the Mississippi River. Some colonists, including George Washington were eager to go there. But King George did not want his colonists to move west. When Daniel Boone moved into Kentucky, he was breaking the King's law. The King asked the governor of Virginia to check on the plans of some settlers to leave Virginia.

The Earl of Dunmore, John Murray, the King's governor in Virginia wrote:

"I have made it my business to find out about a plan to start a colony to the west of the Ohio River. I am against it. Men of property would be hurt.

"People of the lower class who now work our land would move to this colony. The value of our land would go down. Then men who have large land grants would be unable to pay their rent to his majesty."

What would happen to wages in Virginia if some people could leave and go to the new colony west of the Ohio River? Would they go up or down?

A great American historian Frederick Turner wrote in 1893 about the importance of free land in the democratic development in the United States. He wrote :

"An area of free land has continually lain on the western border of the settled area of the United States. Wherever...capital tended to press on labor or political restraomts to impede freedom, there was this gate of escape to the free conditions of the frontier.

These free lands promoted individualism, economic equality, freedom to rise, democracy. Men would not accept inferior wages and a permanent position of social subordination when this promised land of freedom and equality was theirs for the taking. ...In a word free lands meant free opportunities."

-- Write a response to the Earl of Dunmore, as is you were Frederick Turner.

Theories of Property: What do We Own?

John Locke's principle from his *Essay on Civil Government:* "Though the earth and all inferior creatures are common to all men, yet every man has a property in his own person; this nobody has a right to but himself. The labor of his body, and the work of his hands are properly his. Whatever he removes out of the state of nature and mixes with his labor he joins to it something that is his own, thereby making it his property. He has removed it from the *common* state of nature and *by his labor* has annexed something to it that now excludes the common right of other men. Since labor is the unquestionable property of the laborer, no man but he can have a right to it, at least when there is enough and as good left in common for others."

There are rival theories of property. Here are 10:

1. **The power theory:** "Let him take who has the power and let him keep who can."
2. **The possessional theory:** "Possession is nine-tenths of the law."
3. **The purchase theory:** "If I buy something, it is mine."
4. **The discovery theory:** "If I find something, it is mine."
5. **The first-comer theory:** "I got here first."
6. **The legal theory:** "If the law says it's mine, it's mine."
7. **The divine theory:** "Everything belongs to God."
8. **The communist theory:** "Everything belongs to the community or the state."
9. **The socialist theory:** "From each according to his abilities, to each according to his wants."
10. **The utilitarian theory;** "The greatest good for the greatest number."

Class Discussion: What are the impacts of accepting one or more of these theories? Which do you accept? Why? Should any of these theories be applied to natural resources (land)?

Chapter 3.2

LABOR

Nothing can be produced without labor. A factory that "runs itself" still takes work to design, build, program and maintain. It takes work to feed the factory with raw materials and work to carry away its finished products.

PRS
WXY
OPER
Behind the buttons, there's a "brain."

Tools can save labor. Tools can make labor more effective. But in society as a whole, however, tools cannot replace labor.

Labor is a very important concept in economics. When economists talk about "labor," they mean more than physical work. They mean mental effort, too. Scientists, researchers and analysts are all people who use their minds at work.

Newspapers sometimes write about "labor" as if it included only people who work with their hands, or only people who take orders from others, or only people who belong to unions. In economics, "labor" has a wider meaning. It includes everyone from John Smith to Walt Disney; anyone who uses his physical or mental powers to help make products or services that people purchase.

Can you list what labor is and is not? Complete these lists:
WHAT LABOR IS: 1. Creating a useful product.
2. Performing a needed service.
WHAT LABOR IS NOT 1. Stealing 2. Highjacking

An Apprenticeship Contract - New York 1718

"This indenture witnesses that William Matthews .... does voluntarily and of his own free will and accord and by the consent of his mother put himself as an apprentice cordwainer (shoemaker) to Thomas Windover....

"He (William Matthews) will .... serve from August 15, 1718, until the full term of seven years be completed and ended. During all of this term, he shall faithfully

"serve his master, shall faithfully keep his secrets, and gladly obey his lawful commands everywhere....

"At card, dice, or any other unlawful games, he shall not play (whereby his said master may have damage) with his own goods or the goods of others. Without a license from his master he shall neither buy nor sell during his term. He shall not absent himself day or night from his master's service without his leave, nor haunt alehouses. In all things he shall behave himself as a faithful apprentice toward his master.

"The master, during the said term, shall, by the best means or methods, teach or cause the said apprentice to be taught the art or mystery of a cordwainer. He shall find and provide him sufficient meat, drink, apparel, lodging, and washing fit for an apprentice. Every night in winter he shall give the apprentice one quarter (about twelve weeks) of schooling. At the end of seven years he shall provide him with a new suit of apparel, four shirts, and two necklets. "

Servants and Slaves

The colonies in Virginia needed workers to clear and farm land, start businesses and help in the homes. The best sources of labor were servants and slaves.

More than half of all persons who went to the Southern colonies were servants in bondage to planters, farmers and others. In fact, the tobacco economy of Virginia and Maryland was founded on the labor of gangs and of indentured servants.

The labor of the colonies, said Ben Franklin in 1759, "is performed by indentured servants brought from Great Britain, Ireland and Germany."

The Governor of Maryland in 1775 said: "The planters' fortune here consisted in the number of their servants who are purchased at high rates much as the estates of an English farmer do in the multitude of cattle."

Ad for Runaway - 1741 New York

"Run away from Martin Ryerson, of Readingtown, in the County of Hunterdon, a young servant man named William Hains small stature, ruddy complexion, big nose, big blew eyes, pockbroken (face scarred from smallpox) had no hair, branded on ... his thumb, on the left hand........ Probable that he had chang'd his name for he has already pass'd by the name of Thomson and Robinson."

What had happened which would force so many people to freely bond themselves for four to seven years to work in a strange new world?

In the 1660's, England was beginning to become a nation of factories. The great lords were taking control of the land and many of the people were unemployed.

The Duchess of Sutherland, a Scottish noblewoman took certain actions which forced people to look elsewhere for their survival. She put 15,000 tenants off almost 800,000 acres of land and replaced them with 131,000 sheep. The evicted families got two acres of poor land each -land so poor in quality that most could not survive working it. (This area of Scotland is still depopulated.)

Where could these homeless, unemployed people go? To the cities. In England they gathered in cities like London. When advisors to the King looked around and saw many poor, unemployed and criminal citizens, they thought that England was overcrowded. So they suggested that emigration to the New World be encouraged.

As one historian said, "from these large numbers of poor drifters, many of them diseased, incompetent or given to crime came a large part of the labor supply for America."

Spirits and Servitude

The poor were all aware that they lived in a heartless world. One of the horrendous figures in the folklore of lower- class London in the colonial period was the "spirit". This was not the friendly spirits of Halloween. For the poor in London during the colonial period, a*spirit* meant the person who waylaid, kidnapped or persuaded adults to get aboard a ship for America.

The "spirits" who worked for respectable merchants, sometimes lured children with sweets. They seized upon the weak or drunk and took them aboard ship. They promised others a fabulous, easy,new life in the New World.

Often the spirits' victims were seized roughly and were imprisoned either on shipboard or in lowgrade inns until they sailed.

Working at Disneyland

At Disneyland you never see littered walkways or fading paint or surly ticket takers in printed T-shirts. Not at Disneyland. The amusement park is kept as flawless as a knight's armor by maintenance men and groundskeepers who, legend has it, catch falling trash before it hits the ground.

The army of employees is kept well-scrubbed and spit shined by a set of regulations that might put a lump in a drill sergeant's throat. You can almost hear the popcorn man's heels click when he grins and says, "May I help you, sir?"

Some of the conditions of working at Disneyland:

- employees work every weekend, without exception, and such holidays as Christmas and Thanksgiving. In the summer they work evenings, and sometimes all night.
- In an eight hour shift the employees get two ten minute coffee breaks in addition to a meal break.
- Standards of Grooming: Men are not allowed beards mustaches or sideburns below the earlobe. Their hair may not reach their collar or cover their ears.

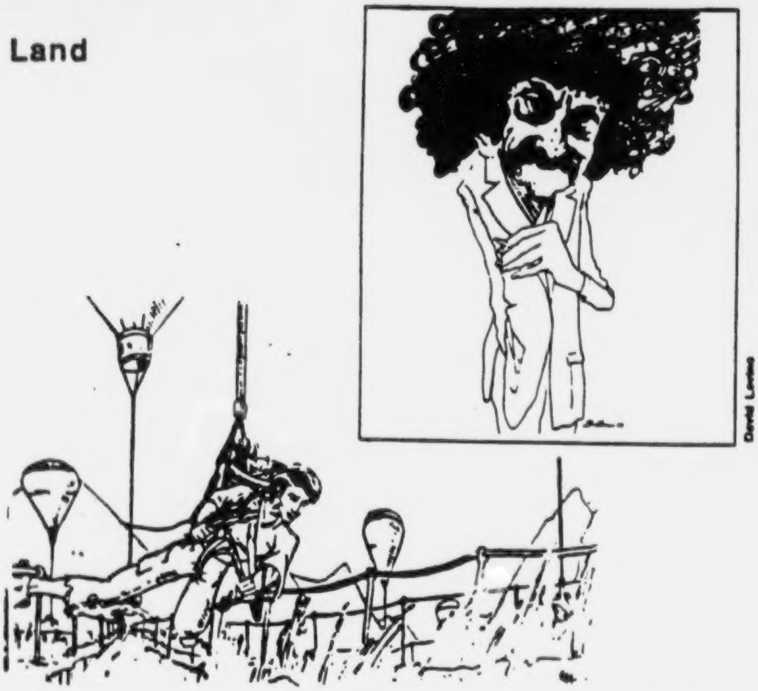
An "appearance coordinator" checks workers for everything from the length of their hair to the shine of their shoes. Yet there are few complaints. Union officials who represent Disneyland's workers say there are few confrontations over grooming.

Adapted from Frederick Boyle's "Working at Disneyland, A Mickey Mouse Job or Not?, LA Times,printed in SF Sunday Examiner- Chronicle1/16/77.

Chapter 4

Land

Mr. Vonnegut



... On Land

Kilgore Trout once wrote a story called *This Means You*. It was set in the Hawaiian Islands, the place where lucky winners of Dwayne Hoover's contest in Midland City were supposed to go. Every bit of land on the islands was owned by about forty people, and, in the story, Trout had those people decide to exercise their property rights to the full. They put up *no trespassing* signs on everything.

This created terrible problems for the million other people on the islands. The law of gravity required that they stick somewhere on the surface. Either that, or they could go out into the water and bob offshore.

But then the Federal Government came through with an emergency program. It gave a big balloon full of helium to every man, woman and child who didn't own property.

There was a cable with a harness on it dangling from each balloon. With the help of the balloons, Hawaiians could go on inhabiting the islands without always sticking to things other people owned.

Breakfast of Champions
(1973)

People who settle a colony, plant crops, or produce goods, or offer services do not hang from clouds.

They occupy space on the earth. Particular locations are often very important to them. Coal miners can only mine coal where there is coal. Shoe salesmen can only sell shoes where there are customers to buy them. Farmers can grow food only where there is water and sunlight.

The human race lives on the planet earth. No human being made the earth. No person's investment is responsible for its presence. The earth is a free gift of Nature.

But the earth is just so big and no bigger. When one person or group occupies a portion of it, the access others have to Nature's gift is that much smaller. We cannot make more.

Thomas Han, who buys and sells real estate in Japan, earned $5.7 million, mostly through the sale of land. In 1950 he bought a parcel in downtown Tokyo for $30,000 and sold it in 1973 for $6 million. Han said that's not unusually bright on his part. "All you have to do," he advises, "is hold on long enough. They can't manufacture more land." Today the price of land in Tokyo is the highest in the world.

Everything we produce comes from the earth. Apples grow on trees that grow in the

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ground. Meat comes from animals nourished on plants that grow in the ground. Steel, wood, cotton, oil, rubber all come from the earth.

But the earth is more than our great farm and storehouse.. It is also our workplace. Downtown, for example, nobody cares whether the soil is right for potatoes or artichokes. Downtown we use the earth as a marketplace. The most valuable acres in the world are downtown. They are valuable not because of the soil but because of the immense variety of products and services easily available there. So the earth

offers us not only raw materials but also sites or locations that are important because of what is nearby.

Location, Location, Location

Some locations on the earth are much better than others for particular purposes. The Jamestown settlers explored the land with great care before choosing a location. they could easily defend. Walt Disney hired the Stanford Research Institute to find the best location for Disneyland.

The more desirable locations are the most efficient ones, where each unit of input results in the greatest output. Other things being equal, we prefer a location that gives us more for what we put into it.

> **A college economist planned**
> **To live without access to land**
> **And would have succeeded**
> **But found that he needed**
> **Food, shelter and somewhere to stand**
> -- *Dr. Harry Gunnison Brown*

WHAT DO WE MEAN BY LAND

In economics, the word most often used when we refer to earth and all its great gifts is land. When we speak of "land" we mean the oceans and the air and all wild things. We mean the oil in the ground and water in a mountain stream. We mean the fish that swim in the stream and the birds that fly over it. We also mean valuable locations downtown. Everything outside of human beings and their products is included in the term "land."

What location is best for Jamestown and Disneyland?

The Jamestown settlers wanted:

1) A deep water harbor to handle the ships coming into Jamestown from England and other countries
2) Available fresh water,
3) A spot up river, not directly on the coast, so they could see the sea lanes, and not be surprised by Spanish ships,
4) Rich soils for planting in order to feed themselves,
5) Other resources, wild game, fish, strawberries,
6) Timber for their homes and for trade with England.

***Disney wanted*:**
1) Accessibility - a spot close to Los Angeles, the most heavily populated city in the state of California
2) Enough land to build his park
3) Utilities to light, heat and run his park
4) A flat area, easy to build on
5) A place where there would be increased growth in population
6) Reasonable tax rates
7) A location where the local government would allow the park and other

services which would follow
8) A warm, comfortable climate, with little smog
9) Reasonable land cost

Now look at this ad from a paper. What are the location values which this company is trying to sell?

COMPARE

THIS CHOICE LOCATION

To Any Other Being Advertised Today

JACKSON ACRES

Dixie Road to Jefferson Way Directly Across From Cottonwood Acres

Can Any Other Subdivision Boast of the Following Six Features:

1. Proximity to schools. There are four schools adjoining the subdivision, a high school, a junior high, secondary and public school. Your children can walk safely to school.
2. Churches -- There are many churches in the area.
3. Shopping facilities -- subdivision is on the south side of Jefferson Way about 200 yards west of the Dixie shopping centre, and directly across the rad from the Cottonwood Acres shopping centre with a crosswalk by which to get there.
4. Public transportation -- a bus runs along the Jefferson Way every 1/2 hour.
5. Distance to travel to work: 7 minutes to the city, 15 minutes to Tuckahoe and Providence from here you can go east to Toronto, east to Highways 27 and 401, west to Oakville and Port Credit.
6. Facilities -- gas, water, electricity, garbage disposal, fire protection, sewers. All services by one of the best- run townships -- Toronto township.

Prices Start At $139,990 Down Payments as low as 10%
If Down Payment Assistance is Required, We Have An Excellent 2nd Mortgage Program - No Points, Thirty Years To Pay.

AND NOW COMPARE OUR HOUSES!

The Control of Land

Control of valuable locations on earth gives some people power in our society. In fact, in any society, old or new, control of the land gives someone control over the lives of others.

In Jamestown the clashes between the Indians and the new settlers from Europe were mostly over the ownership, and the use of the land and its wealth. The Indians lived closer to nature and hunted and farmed in small areas.

The new settlers were tied to a more complicated economic system. Goods like tobacco and pelts, left Jamestown in ships to be sold in the Old World.

The settlers wanted exclusive control over the new land because it was valuable. The soil was rich, the streams were full of fish, and the harbors could receive trading ships from Europe.

The history of Jamestown is a history of constant clashes over land. Cleared land was particularly valuable. The settlers had to clear the forests to plant the crops. This was hard work. So every acre of cleared land was important. The settlers planted crops in the main paths. But they also planted in areas cleared by the Indians. Often they also cleared lands the Indians wanted to keep forested for wild game hunting.

The clash between the English and the Indians over the use and ownership of the land was inevitable. The two groups has two totally different ideas about the use of the land.

Make a cartoon which shows the different beliefs of the Indians and the settlers

The Indians believed that you used only as much of the resources of land as you needed, then you returned it to the community , to be used by others. One Indian leader said - "The earth was created without lines of demarcation (boundary lines) and it is no man's business to divide it." Like the air, the Indian believed the land belonged to no one.

The way of the Englishman was very different. In England he had lost the common land where everyone could fish, hunt or graze cattle without cost. He wanted land of which he could say, "This is mine." The newcomer was eager to take it by getting permission from the king or by working on it himself. As far as he was concerned, the Indian had no lasting claim on the land.

Finally, the Indians were forced to move to other locations to live, for the new settlers used their land more intensively and more profitably. Some Indian tribes stayed to trade furs and other goods from the land to the settlers. Most moved to other parts of America, for there was still plenty of free land.

FIVE WAYS COUNTRIES ATTEMPT TO GET EQUAL LAND RIGHTS

In order to solve the problem of land monopoly by the few, various societies in history have tried 5 different methods.

(1) **Confiscate the land**: Take over the land in the name of the poeple.
(2) **Shoot the Landlord:** Eliminate the landlord or give them the option of becoming equal to all others.
(3) **Tax the land values**: Keep land in private hands but require landholders to pay a substantial fee to the community for the privilege of holding land.
(4) **Regulate the landlord**: Attempt to discourage monopoly or poor land use by government control and regulation.
(5) **Aid the poor and landless:** No change in the land system. The government provides welfare and needed help for the poor and landless through income taxes and other taxes

WHAT GIVES VALUE TO LAND?

In the beginning of Jamestown, land's value was set by its nearness to the sea. The value went up when the colony and its people came to live and work in Jamestown. When tobacco was selected as a profitable crop, land that had rich soil and lots of available labor became the most valuable.

People, assuming they are productive, always make land more valuable. The land in downtown Cleveland or New York is more valuable than a spot in the desert because it's a better place to do business. We can see this if we take a ride across America. With the exception of a few people, who prefer almost total solitude, every small town has its center with its shops and gas stations, post offices and schools. People want these services to make their lives more comfortable.

Disney learned an important lesson about the creation of land values from his first venture in California. Walt Disney Productions created the park - about 250 acres - but other people made money on the land surrounding the park. For example Disneyland Motel outside the gate of Disneyland is not owned by the company but it is the most valuable because of its closeness to the park. Because of this closeness - or convenience - the land at this site is very valuable. It provides better access.

When it came time to launch Disneyworld in Florida, the Disney company bought about 28,000 acres (over 100 times the size of Disneyland for about $6,000,000. Most of the acreage cost about $250 per acre. In this way Disney hoped to gain for his company the new land values his private enterprise created. Nevertheless, people bought land 40 miles from Disneyworld - sight unseen and still sold it for a speculative profit when the park was completed.

What had created these enormous land values?
- Should Disney, the new speculators in land or the community get the values created by such enterprises?
- Who would pay for the new roads and services required by Disneyworld?
- Could these have been paid by the increases in land values? How?

When is land is valuable?

Land is valuable when it is close to water. It is valuable if it has a group of people who want to live and work there. Land is valuable if it provides protection and shelter. Land is more valuable if it is connected to other places by roads, bridges, tunnels and freeways.

Make a list of all the things that make the location of your home or apartment valuable.

Who Owns California!

STATEWIDE OWNERSHIP – THE TOP TWENTY-FIVE

Total State Private Land Acreage = 51,419,000

Name	Acreage	Private Cumulative %
Southern Pacific Co.	2,411,000	4.7
Shasta Forest Co.	479,196	5.6
Tenneco, Inc.	362,843	6.3
Tejon Ranch Co.	348,000	7.0
Standard Oil of California	306,000	7.6
Boise Cascade Corp.	303,000	8.2
Georgia Pacific Corp.	278,000	
Pacific Gas & Electric	250,000	
Occidental Petroleum Co.	200,000	
Sunkist Corp.	192,000	
The Pacific Lumber Co.	171,062	
Fibreboard Corp.	155,000	
Newhall Land and Farming Co.	152,000	
American Forest Products Corp.	150,000	
The Times-Mirror	145,000*	
Penn Central Co.	120,000	
Hammond Lumber Co.	119,840	
Kaiser Industries	111,000	
Masonite Corp.	110,000	
J. G. Boswell	108,000	
International Paper Co.	103,547	
Diamond International Corp.	100,000	
Vail	98,000	
Miller & Lux, Inc.	93,058	
Irvine Ranch Co.	91,600	13.5

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*some through partial interest and repeated elsewhere

Note: The State Board of Equalization reported in 1972 that Newhall Land and Farming Co. owns at least 1,495,632 acres.

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Conflicting Views: Settling the West

Two hundred years after Jamestown, the Indians and the Americans were still clashing over land ownership. The government wanted to put Indians on reservations and open their land to settlers.

Here are the views of Chief Joseph, a Nez Perce Indian, and of Theodore Roosevelt who later became President of the U.S.A. Roosevelt wrote his view in the 1880's when he was raising cattle in the Dakota territory.

(1879) Chief Joseph: "All men are made by the same Great Spirit Chief. They are all brothers. The earth is the mother of all people and all people should have equal rights upon the earth. You might as well expect all rivers to run backward as that any man who was born a free man should be contented penned up and denied liberty to go where he pleases.

"If you tie a horse to a stake, do you expect he will grow fat? If you pen an Indian up on a small spot of earth and compel him to stay there, he will not be contented. Nor will he grow and prosper."

Theodore Roosevelt: "The simple truth is that the Western Indians never had any real ownership in the land at all. Where the game was plentiful, there they hunted. They followed it when it moved to new hunting grounds, unless they were prevented by stronger rivals.

"...To most of the Land on which we found them they had no stronger claim than that of having a few years previously butchered the original occupants.

"Indians should be treated in just the same way that we treat the white settlers. Give each his little claim... if he declines this, why then let him share the fate of the thousands of white hunters and trappers who lived on the game that the settling of this country has exterminated, and let him, like those whites, who will not work, perish from the face of the earth...

"The doctrine seems merciless, and so it is; but it is just and rational for all that. It does not do to be merciful to a few, at the cost of justice to the many. The cattlemen at least keep herds and build houses on the land; yet I would not for a moment prevent settlers from the right of entry to the cattle country through their coming in means the destruction of us and our industry (the cattle industry)."

Conflicting Views - The Rights of Indians - The Case of Alcatraz

"Proclamation: To the Great White Father and All People

"We the native Americans, reclaim the land known as Alcatraz Island in the name of all American Indians by right of discovery. We wish to be fair and honorable in our dealings with Caucasian inhabitants of this land, and hereby offer the following treaty:

"We will purchase Alcatraz Island for twenty four dollars ($24) in glass beads and red cloth, a precedent set by the whiteman's purchase of a similar island about 300 years ago. We know that $24 in trade goods for these 16 acres is more than was paid when Manhattan Island was sold, but we know that land values have risen over the years. Our offer of $1.24 per acre is greater than the $.47 per acre that the white men are now paying the California Indian for their land.

"We will give to the inhabitants of this island a portion of that land for their own, to be held in trust by the American Indian Affairs and by the Bureau of Caucasian Affairs to hold in perpetutity for as long as the sun shall rise and the rivers go down to the sea...we offer this treaty in good faith and wish to be fair and honorable in our dealings with all white men.

"Further, it would be fitting and symbolic that ships from all over the world, entering the Golden Gate, would first see Indian land, and thus be reminded of the true history of this nation. This tiny island would be a symbol of the great lands once ruled by free and noble Inidans.

"We hold that Alcatraz is the ideal place to contain all our endeavors. It is a prison just as most Indi an reservations are prisons...The former inhabitants of Alcatraz were forced into a small, desolate area, just as reservation Indians are forced into a small area.

"We seek to use these qualities as a starting point to go from a symbolic base of despair that we find ourselves in today to provide a better life for all Indian people."
- Issued by the Indians who occupied Alcatraz Island after the prison was closed. November 20, 1969

WHO OWNS THE LAND? Persons First; Indians Second

The "invasion" or "recapture" of Alcatraz in 1969 by a group of militant Indians is an instructive event.

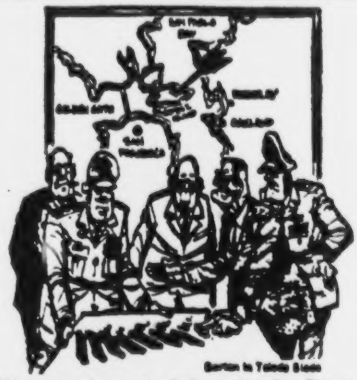
We often think of ourselves as Scotsmen or Italians or Indians or Christians, and sometimes we become so fond of our differences we forget our brotherhood.

The Constitution of the United States offers no protection for any of these separate groups.The only ones protected by the Consitution are **Persons** plain ordinary human beings.The foreigner traveling here is guaranteed the same protection of life, liberty and property that citizens enjoy.

If we consider that those who occupied Alcatraz are human first and Indian second it is clear that they have as much right to the Island as anyone else and no more.

Many people seem to think that because today's Indians are descendend from ancestors who arrived on the continent earlier, they have a superior right to the land that was taken from them by "white men."

If we take this view very seriously, then the Indians properly own, not only Alcatraz but most of the continent. The only "just" arrangment then would be to return all the stolen land and pay tribute to the Indians for permission to occupy their country.



"If Alcatraz falls to the Indians, then San Francisco falls – then Oakland and Berkeley . . . !"

Reprinted by permission of *The Toledo Blade*

A more sensible principle is the idea that all persons have ***Equal Right*** to land - not more right because they were here first; not more because they came later and conquered, but ***equal*** rights because they exist.

If we consider equal rights, we will conclude that the persons occupying Alcatraz are persons rather than Indians. They have as much right to Alcatraz as anyone else, but no more. ***This concept grants to individuals the ownershiup of what they have produced and nobody "produced" Alcatraz.***

Alcatraz - all of the land of California, city sites, oil wells and islands, belong, by this natural rights concept, equally to all men. To assert this right it is not necessary to invade Alcatraz or trample anyone's garden. It is only necessary to require that those who hold valuable portions of the common estate should pay for this privilege every year.

If we all own the land equally, the user would rent his holding from all of us. The community would get its fair share, and the user would have possession undisturbed. By doing this, he acknowledges the equal rights of others.

If we make this arrangement, the Indians or any other group would not bother to invade Alcatraz. It would be cheaper and easier to pick up good land at sales or from one of the thousands of land speculators who are holding more land than they can use.

- from a radio talk by Robert Tideman, author, and Administrator at Big City Montessori School, San Francisco

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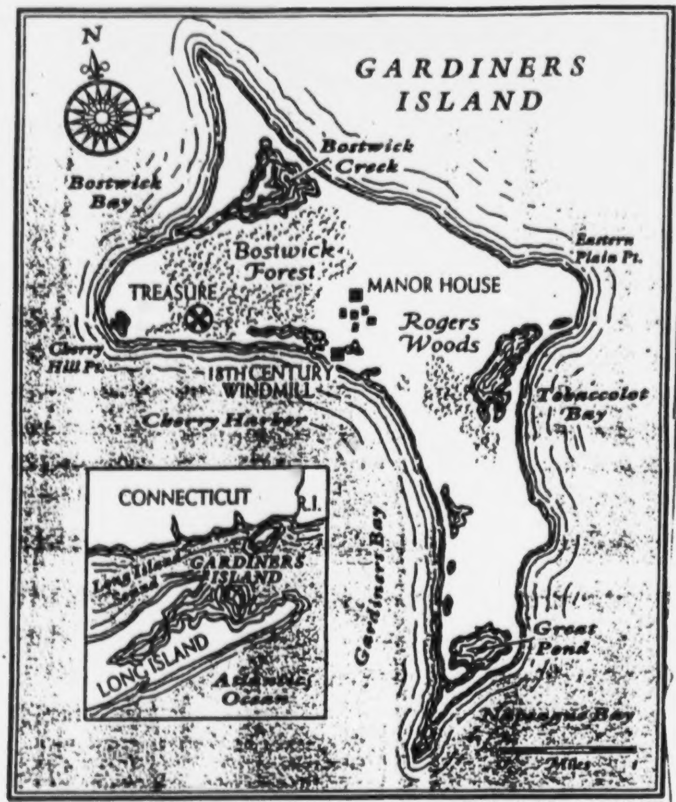
An Old Family Feuds for an Ancestral Island

By ERIC SCHMITT

Special to The New York Times



The New York Times/April 15, 1989

Gardiners Island, 3,300 sea-swept acres of wildlife, is at the center of a feud that has divided one of America's oldest families.

GARDINERS ISLAND, N.Y., April 12 — In 1639, King Charles I of England bestowed upon a loyal soldier and engineer named Lion Gardiner a royal patent to this 3,300-acre island of white oak and osprey out between the prongs of eastern Long Island.

Now, 350 years later, the descendants of Lion Gardiner are preparing to celebrate the anniversary at their ancestor's Gothic-style mausoleum in East Hampton.

Alexandra Gardiner Creel Goelet and her family have planned their graveside festivities for April 23. Robert David Lion Gardiner and his family are waiting until May 29 to hold their ceremony.

Distant Cousins by Choice

Why not one big party? Truth be told, the two families can't stand each other. And therein lies the story of a decade-old family feud for control of what is believed to be the largest privately owned island in America, an island that over the centuries has been a plantation, a burial ground for Captain Kidd's pirate treasure, a Revolutionary War hospital and a hunting preserve for wealthy sportsmen.

It's a nasty tiff, with one faction accusing the other of dumping family portraits in a dank shed to rot and plotting to build condominiums and tennis courts where ospreys now nest and deer roam wild. (It's also a noisy one, with warring battalions of public-relations people.)

The ill feelings run so deep that the Surrogate's Court in Manhattan has ruled that use of the island should alternate between the two sides every two weeks, and that each faction should be assigned bedrooms in the brick colonial manor house that are theirs alone to furnish and decorate.

As in many family disputes, money is at the heart of the matter. But looming over all of this is whether the island will stay pristine or be developed some day. When Sarah Diodati Gardiner, the last outright owner of the island, died in 1953, she left the island in trust for the use of her nephew, Mr. Gardiner, on the one hand, and her niece, Alexandra Gardiner Creel, the mother of Mrs. Goelet, on the other.

Mr. Gardiner visited the island regularly. Mrs. Creel, who is now in her 80's and in poor health, was rarely there. But in 1976 her daughter married Robert Goelet, the scion of a prominent New York City real estate family and chairman of the American Museum of Natural History. The couple, both avid environmentalists, began spending summers and weekends amid the island's forests, rolling hills, windswept fields and rich bird and animal life.

Dividing the Wealth

But by the early 1980's the $1 million trust fund was exhausted, and the two sides of the family couldn't agree on how to pay for the upkeep of the island. They went to Surrogate's Court, and Surrogate Marie M. Lambert ruled that both sides would share the expenses and neither side would exclude the other from the island so long as the payments were kept up.

The two sides grudgingly accepted this arrangement until one day, about eight years ago, when Mr. Gardiner, the 78-year-old self-described "Lord of the Manor," accused Mr. Goelet of trying to run him over with a truck. Mr. Goelet denies he ever tried to hit Mr. Gardiner.

Shortly thereafter, Mr. Gardiner stopped paying his share of the maintenance costs — more than $100,000 a year at the time — and temporarily relinquished his visiting privileges. The Goelets picked up the entire cost and, in addition, renovated several buildings, including the island's trademark, an 18th century windmill.

In a telephone interview from Palm Beach, Fla., where he lives when he is not in one of his three houses on Long Island, Mr. Gardiner explained that he was too busy building a shopping center, the Gardiner Manor Shopping Mall in Bay Shore, N.Y., to get involved. But with the anniversary this year, Mr. Gardiner renewed his occupancy rights by paying the trust company that administers the island, the U.S. Trust Company of New York, $350,000 for his share of this year's taxes and upkeep.

On April 2, Mr. Gardiner, accompanied by a "karate expert and a guard with a pistol," he said, returned to the island for the first time in almost eight years. To his horror, he found that his clothes and a guestbook signed by Katharine Hepburn and Gloria Swanson, among others, had disappeared. Even worse, he found a portrait of himself stored in a wooden shack, near the old blacksmith quarters and carpentry shop, "covered with an inch of mildew."

Intimations of Condos

During a tour arranged for reporters and community groups as part of the anniversary celebration, Mrs. Goelet denied that she or her husband had moved the painting or any of her uncle's belongings. "Every family has its feud, and their roots are hard to trace," said Mrs. Goelet, who along with her husband is reluctant to discuss the squabble. "My uncle's not the worst man."

Who will own the island after Mr. Gardiner and his sister, Mrs. Creel, die and the trust is dissolved is a hot topic. The Goelets, who have built nesting platforms here to help increase the osprey population to about 125 from 20 a decade ago, said they want to keep the island as a nature preserve. Mr. Gardiner said he believes that the Goelets have opposed increasing the one-acre zoning on the island because they plan to build condominiums and golf courses.

The Goelets would appear to be the sole heirs; Mr. Gardiner, who is married, has no children. But Mr. Gardiner has announced that he plans to adopt a wealthy young cousin who is a direct descendant of Lion Gardiner. "I'll produce an heir this summer," he said.

Clearly, neither side plans to give in. "There's very much a sense of peace here," said Mrs. Goelet, looking out over the island's clay cliffs where seals and Canada geese bob in the waves. "I love it here."

"I'm not going to be the last Gardiner decendant," Mr. Gardiner said. "I'm not over the hill."

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This Land Is Your Land

CHORUS: "This land is your land, this land is my land,
From California to the New York Island,
From the redwood forest to the gulf stream waters,
This land was made for you and me.

As I went walking that ribbon of highway,
I saw above me that endless skyway,
I saw below me that golden valley,
This land was made for you and me. (Chorus)

When the sun come shining,
then I was strolling,
And the wheat fields waving,
and the dust clouds rolling,
A voice was chanting as the fog was lifting,
This land was made for you and me." (Chorus)

A more militant song about land is The famous "Land Song, which was sung at rallies in England and the United States at the turn of the Century.

The Land Song (to the tune of "Marching Through Georgia")

1. "Sound a blast for Freedom, boys, and send it far and wide! March along to victory, for God is on our side! While the voice of Nature thunders o'er the rising tide- "God made the land for the People!"

Chorus— The Land! the Land! 'twas God who gave the Land! The Land! the Land! the ground on which we stand! Why should we be beggars, with the ballot in our hand? "God gave the Land to the People!"

2. Hark! the shout is swelling from the East and from the West: Why should we beg work and let the Landlords take the best? Make them pay their taxes for the Land-we'll risk the rest; The Land was meant for the
people!

3. Clear the way for liberty! the land must all be free! True men will not falter in the fight, though stern it be, Till the flag we love so well shall wave from sea to sea, O'er land that's free for the People. Chorus-

Write your own song or poem that tells how you feel about the land (remember that land means all the universe except humans and what they do.)

45

Woody's Legacy

This Song is Our Song

The song *This Land is Your Land*, with its deceptively simple melody, was put together by Woody Guthrie around 1940. When he first got the idea for it, *God Bless America* was getting a big play on the radio. The last line of his verse originally went, "God blessed America for me." Through the months and years he changed it, and in the late 1940s he recorded it for Disc Records (now Folkways) in the version printed on this page.

When Woody Guthrie went into the hospital in 1952 he signed over the rights to the then little-known song to a publisher who now collects royalties for it and turns them over to Woody's family. Indirectly much of the royalties go to the Committee to Combat Huntington's Disease, which has been set up by Marjorie Mazia Guthrie.

What will happen to the song now? My guess is it depends on who sings it, and how, and for what purpose. There is a danger of this song being co-opted by the very selfish interests Woody was fighting all his life. Clark Clifford in March 1950 addressed the wealthy businessmen at Chicago's Executive Club: "I feel the people have to feel that their small share of this country is as much theirs as it is yours and mine..." Without some new verses, TLIYL falls right into Mr. Clifford's trap.

One young fellow wrote me that he was starting a campaign to make the song the national anthem. I wrote him, "Please stop! Can't you see U.S. Marines marching into another little country playing this song?"

Here are some of Woody's lesser known verses:

In the squares of the city by the shadow of the steeple
Near the relief office I saw my people
As they stood there hungry, I stood there whistling
This land was made for you and me.

Was a big high wall there that tried to stop me
Was a great big sign that said private property
But on the other side it didn't say nothing
This land was made for you and me.

When I sing the song today, I still usually end up with the gloriously optimistic verse, "The sun came shining and I was strolling." But before this I do a lot of singing and talking and often throw in a couple new verses of my own.

Maybe you been working as hard as you're able
And you just got crumbs from the rich man's table
Maybe you been wondering is it true or fable
This land was made for you and me.

Dozens of other verses have been written to the song within the last ten years. Some of them simply change a few words to make the chorus apply to Canada or to England or to Australia. There have been verses sung in Spanish. There have have been anti-pollution verses. I always encourage anyone who loves any song not to be ashamed to try making up verses for it.

The best thing that could happen to the song would be for it to end up with hundreds of different versions being sung by millions of people who understand the basic message. ●

—Pete Seeger

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The Song

As I was walking that ribbon of highway
I saw above me that endless skyway
I saw before me that golden valley
This land was made for you and me.

This land is your land, this land is my land
From California to the New York Island
From the redwood forest to the Gulfstream waters;
This land was made for you and me

I roamed and rambled and I followed my footsteps
To the sparkling sands of her diamond deserts
And all around me a voice was sounding
This land was made for you and me.

(Repeat the chorus)

When the sun comes shining and I was strolling
And the wheatfields waving and the dust clouds rolling
As the fog was lifting a voice was chanting
This land was made for you and me.

(Repeat the chorus)

By WOODROW WILSON GUTHRIE
(1912–1967)
Copyright Ludlow Music, New York

God Bless You, Mr. Vonnegut

Kurt Vonnegut On Wealth ...

When the United States of America, which was meant to be a Utopia for all, was less than a century old, Noah Rosewater and a few men like him demonstrated the folly of the Founding Fathers in one respect: those sadly recent ancestors had not made it the law of the Utopia that the wealth of each citizen should be limited. This oversight was engendered by a weak-kneed sympathy for those who loved expensive things, and by the feeling that the continent was so vast and valuable, and the population so thin and enterprising, that no thief, no matter how fast he stole, could more than mildly inconvenience anyone.

Noah and a few like him perceived that the continent was in fact finite, and that venal office-holders, legislators in particular, could be persuaded to toss up great hunks of it for grabs, and to toss them in such a way as to have them land where Noah and his kind were standing.

David Levine

Thus did a handful of rapacious citizens come to control all that was worth controlling in America. Thus was the savage and stupid and entirely inappropriate and unnecessary and humorless American class system created. Honest, industrious, peaceful citizens were classed as bloodsuckers if they asked to be paid a living wage. And praise was reserved for those who devised means of getting paid enormously for committing crimes against which no laws had been passed.

God Bless You, Mr. Rosewater
(1965)

... On Land

Kilgore Trout once wrote a story called *This Means You*. It was set in the Hawaiian Islands, the place where lucky winners of Dwayne Hoover's contest in Midland City were supposed to go. Every bit of land on the islands was owned by about forty people, and, in the story, Trout had those people decide to exercise their property rights to the full. They put up *no trespassing* signs on everything.

This created terrible problems for the million other people on the islands. The law of gravity required that they stick somewhere on the surface. Either that, or they could go out into the water and bob offshore.

But then the Federal Government came through with an emergency program. It gave a big balloon full of helium to every man, woman and child who didn't own property.

There was a cable with a harness on it dangling from each balloon. With the help of the balloons, Hawaiians could go on inhabiting the islands without always sticking to things other people owned.

Breakfast of Champions
(1973)

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Activities: Land Chapter

1. Maryland avoided many of the problems of Jamestown. Look up the story of Lord Baltimore in a history text or other source and find out how he handled the land question.

2. Find the examples in your community where easy access has increased value.

3. If there is a lake in your community find out if land and home prices are higher along the lake.

4. If there are "views", are the locations with views more valuable?

5. Find other songs and quotes about land and how people feel about it. Prepare a class presentation on this topic.

6. Make up your own bulletin board display on "what gives value to land" and use local examples.

7. What are the most expensive locations in your town? Do they pay the highest taxes?

8. Like the Indians in Jamestown, many oldtimers in Florida were not happy with the new developments or the skyrocketing land values. What would be some of their arguments for or against development.

9. Make a survey of your community. You may want to include some of the following questions:

    a. Who owns the land in your town?
    b. What does the assessor consider the most valuable area of town; what do you?
    c. What are the taxes on the land in your community; what do they pay for?
    d. Where would you like to own property? Why?
    e. Do new families have the opportunity to buy land in your town?

CAPITAL

It might seem, at first glance, that "land" and "labor" are all there is to production. If "land" includes all of Nature's gifts and "labor" includes the many different kinds of work, what else is there? What can there be apart from the space to work in and the energy that is applied there?

Dynamic Industries Incorporated makes color television sets. Walk through one of their factories and you will see complicated machinery, electronic equipment and conveyer belts. Unfinished TV sets move slowly on the conveyer belts.

- ***The machinery and inventory of TV sets are called the*** **capital** ***of the Dynamic Industries.***

A carpenter is building a house. He can't do this with his bare hands. He uses a hammer, saw and other tools.

- *These tools are the* capital *of the carpenter.*

Robinson Crusoe is stranded on an island. He must catch some fish for dinner. He finds that he can catch a lot more fish if he has a spear. So he spends one entire day making a spear. It is true that he may go to bed hungry on that day, but from that time on he can catch all the fish he needs with his new spear.

- *The spear is part of Robinson Crusoe's* capital.

Just what is this thing called *capital* and how is it created? Capital is not the ultimate goal of working. It is something used to make that work easier or more efficient.

Robinson Crusoe didn't really want a spear for its own sake. What he wanted was the fish. You cannot eat a spear. The carpenter does not want a hammer for its own sake. He wants what the hammer will help him produce: a house.

Of course it might be possible that a carpenter, given enough time, could build a crude sort of house using only his bare hands. But it is clearly impossible to make TV sets without machinery of some kind. The goal of Dynamic Industries is not the manufacturing of complicated machinery; it is the making of television sets.

The TV sets on the conveyer belt and in the warehouse of Dynamic Industries are the "goal" of working. They are the *inventory* of the company, and are important to its existence and continued success. Since they are not land or labor, and are not yet in the hands of the consumer, they are called *capital* also.

Capital involves more than just tools. It also includes supplies and inventories. The axe John Smith swung to cut down trees was capital but so was the lumber he cut. A food stand in Disneyland is capital, but so are the supplies behind the counter.

People can survive without tools, but they cannot produce without accumulating a supply of things that have not yet been used. These are *capital* too.

The Jamestown settlers brought axes, saws, hammers, kettles, guns, seeds and a lot of other tools and supplies from England. Even with all that equipent, they almost perished. Had they come bare- handed, they almost certainly would have died, even though they would have worked as hard on the same land.

Walt Disney brought millions of dollars worth of bricks, lumber, nails, glass, paint and other necessaries to Anaheim. Without them there would have been no Disneyland.

Capital involves the idea of "waiting." ***Capital*** appears and grows only when more things are produced than are consumed. This result can occur only if someone trades a present satisfaction for a later satisfaction, that is, someone trades somethinbg they want now for something they want more later. As soon as labor has anything to show for its efforts, the visible product (whether a spear, TV set of another ride in Disneyland) proves that more than labor has been furnished. Some waiting has gone on too. Otherwise the product would have been consumed. The only way labor could make something or "produce" it without the aid of capital would be to use it, i.e. consume it as fast as it was produced. That would be like immediately eating every berry after you have picked it off the bush.

But why would anyone want to wait unless his waiting was rewarded in some way?

SCENARIO 1: JACK AND BILL

Twin brothers Jack and Bill inherit their father's farm. They divide it equally and work with equal skill and effort on their farms.

They work just as hard ,but Jack lives differently from Bill. He has a good wine with his meals daily. He often drives to the city for ball games and the theatre. He and his wife like to entertain and have parties for their friends and their children.

Bill likes these things too, but he spends less money on himself and his family and more on the farm. He buys fertilizer and modern tools. He installs an irrigation system. He buys only the best seed. After five years, Bill is producing many more crops and is making more money than Jack.

Bill didn't work harder than Jack. His land was no better than Jack's. What did Bill do differently that made him more ***productive*** than his twin brother?

Answer: What Bill did differently was to spend less money on himself and his family and more on his farm. Unlike Jack, he postponed his pleasure and invested the resulting savings in supplies and tools that made his labor more effective. He took his enjoyment later rather than sooner.

SCENARIO 2: ROBINSON CRUSOE

The same principle applies to a solitary person like Robinson Crusoe. Crusoe starts with no tools on an island: just himself and the land. He spends his time gathering food or sleeping.

He is faced with a choice.
Choice 1: He may satisfy his immediate needs by sleeping or catching fish with his bare hands in the tide pools, or;
Choice 2: He may decide he can catch more fish if he can spear them. But to fashion a spear takes time.

During the time Crusoe is making the spear, he must give up the gathering of food or give up sleep. Waiting to go to sleep makes possible the creation of the spear. The spear makes it easier for Crusoe to catch more fish.

The choice he makes will depend on which he values more—the food and the sleep he gets now, or the additional food and sleep he can get in the future.

The spear becomes his "capital." He can have it only if he postpones something now for something better he'll get later. Tools like the spear increase his ability to produce.

Robinson Crusoe waited. His reward: When his spear was finished he was able to get many more fish than with just his bare hands.

In those two examples, the working and waiting is done by the same person. As society becomes more complicated, however, the working and waiting are done by different people. In both Jamestown and Disneyland the working and waiting were separated. Who did the working and the waiting in these situations? Waiting isn't fun. If a friend borrows one dollar from you today and pays you back tomorrow, you probably won't feel cheated. But suppose he asks you to wait a year, or ten years, or fifty years. Most people would find it difficult to wait so long. People avoid waiting.

Of course, there are exceptions. If you are paid once a week, you probably do not want to spend your whole paycheck the first day. You might want to wait a bit and save some for needs that will arise later in the week. In just the same way, people who look forward to retiring want to save something for the future. They prefer to wait. They lend their money to the John Smiths and Walt Disneys of the world, who buy capital with it.

We now see that there are two ways people produce. One way is working. The other way is waiting. Waiting, when it results in getting more tools and supplies, is a separate contribution from working, and itself accounts for an increase in output.

IS ALL WAITING "PRODUCTIVE?"

Just as working is not always productive, neither is waiting always productive. In the chapter on Labor we saw that people who cannot sell what they make are nonproductive workers. Pirates and hijackers who simply prey upon others are counter- productive workers.

In the same way, people who invest their savings in pirate ships, burglar tools or political favors may have waited just as long and painfully as Robinson Crusoe did when he made his spear. They may also reap rewards. But their waiting is not productive because it adds nothing to the general wealth. It only shifts wealth to themselves. Productive waiting is waiting which results in ***capital***, i.e., in tools, inventories and things that would not otherwise exist.

People who work or wait sometimes switch from producing to "preying" depending on circumstances. John Smith, for example, went to the Chickahominy Indians to trade for food and ended up taking it. When Jamestown was being settled, many merchant ships, outfitted at great expense by investors and manned by hard working sailors, turned aside from legitimate trade and pirated the ships of other nations.

LAND IS DIFFERENT

Not all investments lead to more tools and supplies. Sometimes the investment is in land. Capital exists because someone's investment; land does not. Land is different. It's just there. It's there whether we buy it or merely rent it from month to month.

In the preceding chapter we saw that production always involves labor. Now we see that production always involves capital too.

This does not mean that a laborer can begin work only after some investor has provided him with capital. It just means that any product exists because (A) it has been produced, and (B) it has not yet been consumed. (Capital and labor are partners. No production occurs without capital. Without it we mould be no better off than the most primitive human beings. That is why the economist says that land, labor and capital are the three factors of production.) Land, labor and capital are all necessary to production. Land involves space, labor involves energy. It should not surprise us that capital involves time (waiting), for space, energy and time are the concepts we ordinarily use to explain our world.

The "mix" of these three factors will differ enormously from one product to another, but it is hard to imagine any product that does not have at least a little of each.

John Smith's axe and Walt Disney's submarine are the same in three ways:

1. Both were made by someone's labor.

2. Like Crusoe's spear and Farmer Bill's equipment, both were owned by someone who could have had some immediate satisfaction instead.

3. Both served a productive end.

In economics such things are called "capital".

Now let's see how capital fits into our scenarios on Jamestown and Disneyland.
The early investors in Jamestown were a group of knights, gentlemen and merchants. They received a charter from the King to set up a colony in America. They postponed using their money for their immediate enjoyment. Instead they

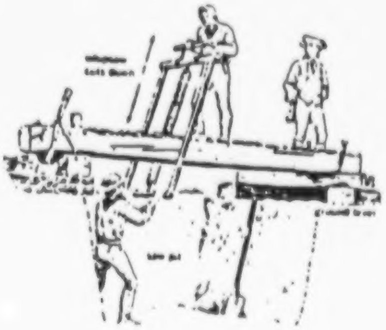
joined together to create a profitable business; the colony of Jamestown.

Each of them postponed the use of their own wealth to buy hammers, nails, food, stores, ships, and seed for future earnings. Had they used all their wealth there would have been no seed, nor trade in the future.

The investors dreamed of the great riches that could come if this land were as rich in gold or silver as the land Spain discovered and nowcontrolled.

If it did not, they hoped to grow rice, sugar, citrus and other fruits, timber, etc. for which the English people would pay high prices. Other merchants hoped also to sell goods to the settlers.

CAPITAL



■ **Sawing Ship's Timber.** Colonial shipbuilders' knowledge was advanced, but some of their tools were crude by our standards. In the illustration below, workmen use a "whipsaw" to cut timber for a ship.

BUYING INTO JAMESTOWN

Sharing the Profits

In 1618 it was time to declare the profits and divide up. The company was broke, but it had great tracts of valuable land. Each colonist who paid his way got 100 acres of land. Each colonist who worked the required 4-7 years received 100 acres of land.

A new charter was issued giving each new settler 50 acres of land for himself and 50 acres for each family member over fifteen and 50 acres for each servant who came over.

A husband and wife - 100 acres
2 children - 100 acres
1 servant - 50 acres
Total in family control -250 acres
(visualize an acre - use a football field to compare the size)

Disneyland

The process was little different 300 years later when Disney wanted to create his amusement park in Anaheim. After he found his site, the park could only be created if he could get the capital to build it.

San Francisco Chronicle Monday, September 18, 1989

Investors Want in on Disney Fantasy

Burbank

The Walt Disney name conjures up a magical image not only among consumers, but also among well-heeled financiers.

Everybody, it seems, wants to buy into the fantasy. The Burbank entertainment giant finds itself besieged by investors begging Disney to use their money.

As a result of a series of creative off-balance-sheet financings, the $4 billion company had long-term debt of just $436 million at the end of its last fiscal year. That was down 25 percent from the previous year, despite several acqusitions, construction of new theme park attractions and resort hotels, and production of more than a dozen motion pictures.

Virtually all of Disney's movies now are financed by Silver Screen Partners, a limited partnership. A movie that bombs has no impact on Disney, while a movie that succeeds immediately boosts the company's bottom line.

Walt Disney Co. CFO Gary Wilson

A technique favored by Gary Wilson, Disney's canny chief financial officer, the partnerships also are used in hotel and theme-park construction. In return for providing land and the Disney name, Wilson got Tishman Realty & Construction Co., Metropolitan Life Insurance Co. and Aoki Corp. to finance the $375 million construction of the Walt Disney World Swan and Walt Disney World Dolphin Hotels.

"We don't take a whole lot of risks," Wilson said while munching his tuna sandwich lunch at 2:30 one recent and typically frenetic afternoon. The CFO also is pretty good at squeezing the balance sheet for Disney holdings outside the country. Currently Wilson is in Europe on a 10-city "road show" to promote the initial public offering of 51 percent of the shares in the Euro Disneyland under construction east of Paris.

One analyst estimates that Disney's original $175 million investment could be worth as much as $1.7 billion shortly after the October 6 stock sale, one of the largest initial public offerings ever.

By playing off Spain against France in bidding for the park, Disney got the French government to loan the joint venture about $800 million for 20 years at just 7.85 percent interest. The government also agreed to sell Euro Disneyland 4,800 acres of agricultural land at a price per acre not seen since 1970, and to build two Metro stops on the property so people can ride there directly from Paris, 20 miles away.

A new arrangement with Tokyo Disneyland provides another example of Wilson's financial savvy. Worried about the risks, Disney's previous management took no equity stake when the now-fabulously successful park was built. Disney receives only a fixed royalty based on park revenues.

Last year Wilson renegotiated the contract, adding in one stroke $594 million to Disney's bottom line. Worried that royalties might be reduced by a falling yen, Wilson agreed to lower the royalty for the next 20 years in exchange for a one-time, discounted lump-sum payment.

The deal, made with the yen at 124 to the dollar, looks especially good today with the yen now at 146 to the dollar.

— JOHN ECKHOUSE

Eisner's '88 Pay — $40.1 Million

Membership may have its privileges, but success has its rewards.

For rescuing and reinvigorating The Walt Disney Co., CEO Michael Eisner earned $40.1 million in total compensation last year — more than any other executive at a publicly held U.S. corporation.

Disney's chief operating officer, Frank Wells, pocketed $32.1 million. Most of the money came from cashing in stock options: $32.6 million for Eisner and $28.4 million for Wells.

Although the company has received its share of hate mail, Eisner's huge pay package has met with surprisingly little criticism from stockholders.

"If you were a Disney shareholder I would think you would say, 'Why didn't we pay him more?'" said Jeffrey Logsdon, director of institutional research at Crowell, Weedon & Co. "I don't know of too many other companies where a shareholder has almost a tenfold gain (from $12.50 to about $120 a share) in their investment over a five-year period."

Compensation specialists cite Eisner as one of the most fairly paid executives in the United States. That's because his base compensation is at risk, tied tightly to the company's financial performance.

Eisner earns a salary of $750,000 plus an annual bonus equal to 2 percent of the amount by which Disney's net income for the year exceeds a 9 percent return on stockholders' equity. That generated a bonus of $6.76 million last year.

But if Disney's earnings take the wrong turn, Eisner's bonus could disappear.

Walt Disney Co. CEO Michael Eisner

"If a CEO is willing to see his pay decline 70 percent to 80 percent in bad years, then I don't think the average worker will see their own pay as so bad," said Graef Crystal. A University of California at Berkeley business professor who finds most CEO pay outrageously high, Crystal helped Disney's board structure Eisner's compensation package.

Eisner recently signed a new contract, raising the hurdle for his bonus. Starting next year, it only kicks in after Disney's return on equity exceeds 11 percent up from the current 9 percent.

— JOHN ECKHOUSE

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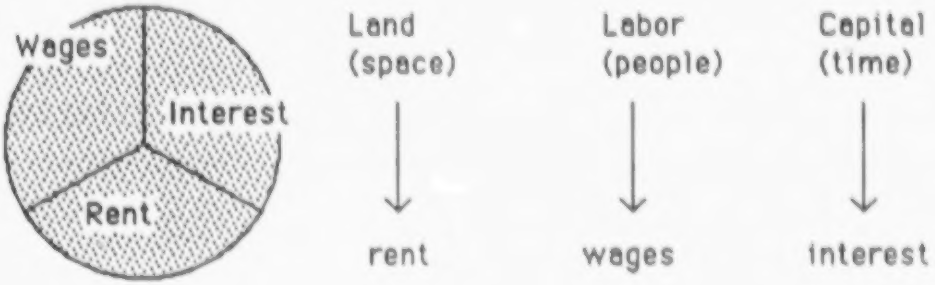
In modern society most of an individual's wealth is stored in the form of money which we deposit in banks. In Walt Disney's case the banks used this capital to help finance his ideas. He could do this only because some people were willing to postpone the enjoyment of their own wealth until a later time.

Division of Wealth

Once wealth is produced, it is divided between the factors of production; land, labor and capital. This division is for economic analysis. It helps us to know how much the owners of each factor are getting from the wealth they helped produce. It also helps us to determine how justly wealth is distributed.

Adam Smith was the first person to indicate how wealth was distributed in his book "Wealth of Nations" in 1776. He said that the wealth of a society was divided among those who owned land, those who worked and those who invested in production. They constitute the three great orders in society, he said. The three "orders" receive their wealth as rent, wages and interest.

All wealth is divided into wages, interest and rent:



The return (or reward) to owners of land, we call rent.

The return to labor we call wages.

The return to capital we call interest.

Open any magazine and look at the products that are for sale. The price tag represents a 'return' to all three of these factors. Under what category would you place the following rewards?

your teacher's salary
your check from a paper route
dividend check from stock
paid vacations
the White House
a monthly check from a tenant

Open any magazine and look at the products that are for sale. All these products pay a return to land, labor and capital.

The price of any new car, from any country included:

* a return to all workers on the assembly line, the designers, the salesman and the trucker who brought it to your town and the president of the company.

* a return to those who own the steel mill, the tire factory, the iron ore mine.

* a return to those who own the land where the factories and farms that produced the fibers and materials that went into the car.

* a return to the bankers, the owners of the machinery and the holders of notes which permitted the design to be perfected years before ithe car was built or sold, and to the investors who own shares of stock in the company.

It takes a special accountant to figure out the reward that goes to each of these groups. Sometimes a person wears more than one hat and gains a share of the wealth by being a landowner, worker or a capitalist. But an automobile company knows how each adds value to the car. They total them up continuously and then set the price of the car based on these rewards.

1. Which group represents working and which represents waiting?
2. Which are rewards to land, labor and capital?
3 How is land different from the other two factors?

Distribution of Wealth

Human beings are territorial. They need land in order to live. In this way they are like all animal species. Humans need space to hunt, gather and plant food, and space to ensure social stability. Over thousands of years, our ancestors changed from a tenure system , where people moved in the pursuit of food to a sedentary one, where they learned to cultivate the land.

In early hunting and gathering societies everyone was assured of a share of the community production.

Hunters and gatherers shared the kill of various animals in very specific ways. Part of the animal went to old people, some to other hunters and some to the family and other members of the tribe. Often the hunter did not himself get any meat when he killed the animal. Some woman in the tribe made him a non-meat dish. He would eat meat later when another hunter made a kill. This symbolized how dependent each of them were on one another.

Yosemite Valley hunters had a very specific method of sharing. The hunter removed the inside organs of the deer as soon as he killed it. He placed these parts inside the stomach, along with some blood. All this was cooked before it was carried back to camp. A friend, usually an old man received this part of the kill.

At the camp, the hunter, using a sharp piece of bone, skinned the deer. The liver, a favorite part of the deer went to an old woman who usually cooked it in a basket of boiling water.

The hunter's mother in law and wife took the tender meat near the deer's back. The rest of the meat went to relatives and neighbors. Neighbors received the legs. The wife's father and brother and other inlaws took the body. All the cooking was done at the hunter's house.

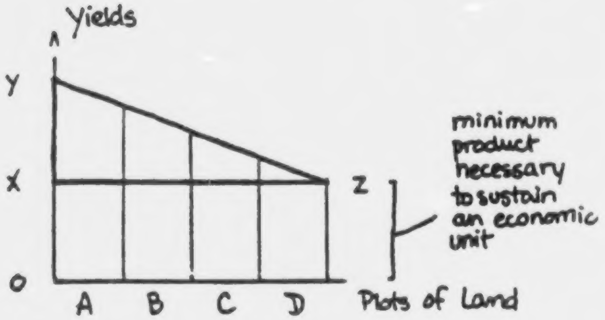
The hunter did not eat of the deer. He was brought seed meal - a kind of mush - as a sign that he was a good hunter. When his friends or relatives killed a deer they shared with him as he had done with them.

The aboriginal hunters of Australia also divided their game according to custom. They, however, kept a small portion of their meat, but most of it went to the members of the family.

Gatherers - In California the Pauite Indians would make sure each family had access to pinenuts that ripened in different seasons by giving everyone a chance to harvest in a zone where the nuts ripened early and late.

Low yield agriculture - Different farm areas possess different fertility and yields. Who gets the most fertile plot? To assure equality different societies adopted different techniques. Here is one example:

chart



OX = the amount needed for a sustaining economic unit. Production above may be considered the surplus.

Notice that plots ABCD have different yields. If one family or group always got ***plot A*** they would become much richer than some others in the group. So that families would have equality of opportunity a system of rotation or strip farming was adopted. One family might use plot A one year, B, the next year, C, the next and finally D until they could use A again.

In the Middle Ages in Europe (about 600-1400 AD) each family got strips of land of different quality and had to walk from strip to strip. When water was a key factor, a family might get a plot or plots near the water and far from it. There was also ***common land*** where the families could fish, hunt, and graze equally.

After the Middle Ages the economic system changed. More land and resources were owned by Lords or upper class people. The common lands were often fenced in. ***But land no longer held a social mortgage*** . There was no requirement to provide arms if you were a secular lord, or health care or charity if you were a spiritual Lord. ***Land was now treated as a commodity to be bought and sold.***

During this period there was great progress in some areas. And there was a great increase in production of goods, as efficiency of production and profit became the major guides.

But without a concern for the whole group there were problems. There was uneven distribrtion of food. Some land lay idle, unused but fenced while willing laborers were without work. Society was now divided along wealth and income lines, not by birth which had been traditional. Power now followed from wealth, not wealth from power and position.

Case Study:

When Ireland was Europe's Ethiopia

In feudal Europe, holders of land - had some responsibility for their workers. After the Industrial Revolution this tradition died out. Profit and gain became the new motivating force. Even under famine conditions the new "lords" of the land did not care for tenant farmers.

In Ireland, English landlords owned most of the fertile land in the 1840s. Often the tenant turned over his entire crop to his landlord as rent. But the landlords gave families a small patch of land to grow potatoes for themselves. A family could live on this nutritious food and a family of four could be fed from only one and a half acres. *But then a blight hit the potato crop.*

The blight meant that the Irish without potatoes for food were starving. But they were not fed from the land they worked. The Irish sent their rent payments to absentee landlords in England as usual - enough grain, cattle, pigs, butter and eggs to "feed the Irish people twice over" as one historian commented.

Some corn was imported from the United States to feed them, but later even this was cut back. The Irish were expected to pay for any famine aid. As a result during the Great Famine of 1845-49, 3 million Irish died of starvation and disease. One million fled to the United States, Canada and England. By 1849 Ireland's population was cut in half.

Were the people of Ireland lazy?

Was the Irish population too large?

Why did the Irish not eat when they produced enough food to stay alive?

Look up an English philosopher by the name of David Ricardo. How does he explain why the rewards (wages) would fall so low for the people of Ireland?

Can you think of other places where people are starving because they have no access to the land, or are forced to work for low wages?

"The white man knows how to make everything but he doesn't know how to distribute it."

-Chief Sitting Bull to Annie Oakley

Since the early settlers brought with them the European concept of absolute ownership of land, alternate opportunities do not always exist for workers.

How wealth is distributed in the United States.

One way of looking at how wealth is distributed in the United States is to look at the proportions of the total national income received by different groups. Suppose we divide America into 5 groups - from the top fifth which receives the most income to the lowest fifth which receives the least income. Here's what a government report shows for 1985.,

Families	Percent of Personal Income
Highest Fifth:	45.5%
Second Highest Fifth:	24.2%
Middle Fifth:	16.8%
Second Lowest Fifth:	10.9%
Lowest Fifth:	4.6%

Make a list of why income is so low for some families. Consider what we have learned so far.

Make a circle graph or a bar chart that shows this distribution of wealth

Ownership of wealth itself is even more sharply divided in the United States. The private land (natural resources) of the United States is controlled by less than 5% of our population.

In which income group would these families be located?

In order to help the poorest of its citizens, the government of the United States now gives money or goods to its citizens. It uses the tax system to collect and redistribute some of the wealth. These are some of the ways we redistribute wealth today and in the past.

(1) The *Property Tax* was the major method for redistributing wealth from earliest colonial days. The property tax fell on those who held property. They could vote and hold other priviliges in society.

2) *Free Public Schools* originally drew their revenues solely from the propertied class or land owning class. Since revenues collected paid for free schooling for all classes of society, the lower classes could get better jobs and higher pay.

3) The ***Income Tax*** was illegal under the US Constitution until 1912. This tax now pays

for most of the welfare, military and transportation benefits of the nation. Wealthy Americans usually pay more than poor Americans, although often the very rich pay little or no taxes due to loopholes. Most income tax revenue comes from people who work.

4) ***Minimum Wages***. The Federal Government and many state governments have tried to help the lowest paid workers by requiring that a minimum wage be paid. The first minimum wage law in the U.S. was passed in 1934. Today the federal government has a lower minimum wage than some states, including California.

5) ***Social Security***. Many workers reached the end of their useful working lives without any savings or with little in savings. The government now administers the world's largest retirement insurance company.

6) The ***General Welfare System*** Direct grants of aid to the people are one of the oldest ways of redistributing wealth. Cash, food stamps, goods, free food, aid to mothers of dependent children rent subsidies and low interest loans all are direct ways for redistributing the wealth of America.

7) The ***Homestead Act*** passed in 1862 gave free land to working farmers. The labor unions favored distributing land to the people because it would "open an escape to the workers from the wage system into self-employment by way of free land."

Questions about these programs

1. The government defines poverty as less than ***$ 11,500*** a year for a non-farm (urban) family of four. Make up a family budget based on this amount. What will it purchase in a city, in a small town, in a rural area?

2. Do citizens contribute voluntarily or involuntarily to these programs?

3. Should businesses be required to pay a minimum wage?

4. What problems may be created by each of the solutions to the unequal distribution of wealth in our country?

5. What did the government use to pay for its services before the 1912 income tax amendment to the Constitution? What were the advantages and disadvantages of that method?

6. Do these programs prove or disprove the theory of***David Ricardo***' that wages will always fall to the margin of production based on the amount or quality of free land available.

7. Congress may vote for a new minimum wage of $4.55 an hour. Since wages for most people are based on the lowest producers in society. If the base wage (minimum wage) rises, what happens to much of the wages of the rest of the labor force?

8. If a small store or firm cannot afford to pay the new minimum wage, what happens to the job? What would you do - take a job below $4.55 or not work at all?

9. What would happen if there were no minimum wage law, but more jobs than workers?

10. The United States is the wealthiest country in the world yet over 1 in 5 people are living below the poverty line. Many work full time and are still poor. Despite some federal and state aid Americans are still poor. What should we, must we or could we do to make sure everyone in America shares in our prosperity?

11. Look up President Franklin Delano Roosevelt's "Freedom from Want" speech from 1944. He called for an "Economic Bill of Rights." Do we as Americans believe in an economic bill of rights?

12. A privilege is a "private law" giving one person the right to do something that someone else may not do, or may not do at the same location. Make a list of special privileges that are granted in this country and in your community. (e.g. land titles, liquor licenses...)

13. List as many occupations as you can where people may work without having to deal with a landlord.

Activities - Distribution

We as a people are not in agreement about the government's method of redistributing wealth. What do you think? Here is a list of some things that need to be done. ***If you believe that they should be done, who should do them? a) the individual (b) the government , c) both or, (d) neither. In each case explain why.***

	Individuals	Gov't	Both	Neither
1. Set minimum wage				
2. Help the needy				
3. Feed the poor				
4. Provide medical care for all citizens				
5. Take care of older people				
6. Free school lunch programs				
7. Own land				
8. Clean up air and water pollution				
9. Give people jobs				
10. Require people to save for retirement				
11 Fix up old houses and sell to needy people				
12. Guarantee prices of some crops such as cotton or wheat				
13. Guarantee an annual wage to every adult				
14. Free medical care for all, regardless of need				
15. Train workers for new jobs in industries				
16. Aid important industries rather than let them go out of business				

Reviewing our economic beliefs or assumptions

All societies have beliefs which determine how they make decisions. These beliefs or assumptions may not not be stated but they are obvious if you observe how we as a group act.

The purpose of this exercise is to try to get you to ***focus on the beliefs behind our actions.*** Many deal with how we believe wealth should be produced and distributed.

Directions: Circle the level at which you agree with these assumptions using (5) as strong agreement and (0) as no agreement. The lower the number the less you agree. Circle A if you think the statement is an assumption that fits the American society or circle NA if you do not believe it is an assumption of our society.

1. Nature has an infinite storehouse of resources for human use.
0 1 2 3 4 5 A NA

2. Our quality of life is improved by producing more and more things.
0 1 2 3 4 5 A NA

3. Modern society and technology have created a superior civilization
0 1 2 3 4 5 A NA

4. A just society seeks an equal distribution of wealth.
0 1 2 3 4 5 A NA

5. Society should guarantee everyone a job.
0 1 2 3 4 5 A NA

6. Profit stimulates incentive and improves the standard of living.
0 1 2 3 4 5 A NA

7. Material abundance gives individuals more choice and more freedom of opportunity.
0 1 2 3 4 5 A NA

9. People should only own as much land as they can use.
0 1 2 3 4 5 A N A

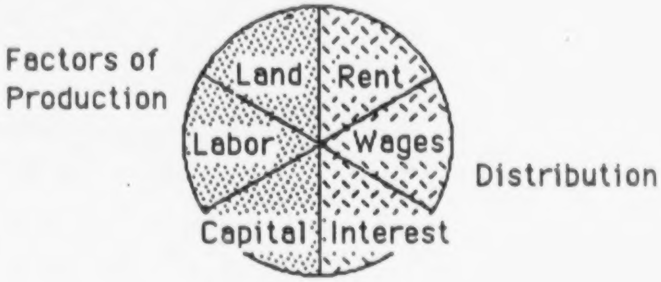
9. Everyone's self interest adds up to the common good.
0 1 2 3 4 5 A N A

10. Add an assumption of your own.__________________

Extending the Idea

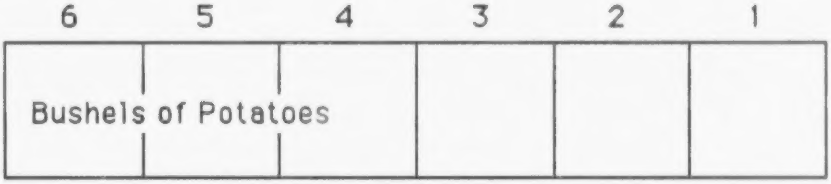
Demonstrating Economist David Ricardo's Model of Distribution

There are three factors of production: land, labor and capital. Together, these factors produce wealth, i.e; the goods which we want and need. Each of these factors of production also gives back something in return for its use. When land is used, rent is the product of that use. When labor is employed, wages are given as compensation. When capital is used, interest is the return for its use.

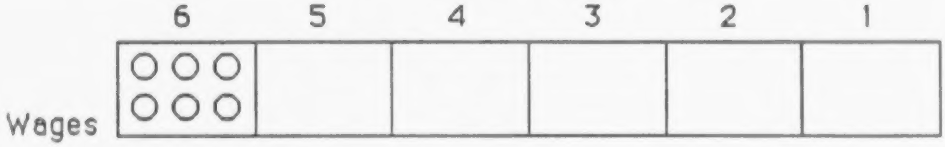


Our task is to explore the returns on each of these factors. Remember our definition of land: it is the entire universe except human beings and their products. Rent is the return, or factor payment for land. In economics, rent means only the return to land from production or future production. A farmer, for example, in order to grow food, would look for the most fertile land available, so that he could get the greatest amount of food for the least effort. This leads us to the first axiom of economic behavior: ***humans seek to satisfy their desires with the least possible effort.***

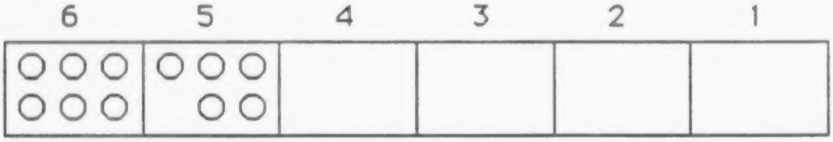
Through the following model, we can examine how distribution takes place with the factor of land. Assume that, of six tracts of land, number 6 is the most fertile and can produce 6 bushels of potatoes when farmed. The next most fertile, 5, can produce 5 bushels of potatoes, etc.



As farmers begin to settle the land, according to our first axiom, they'll choose number 6 land. Because land is free, all the production, 6 bushels, represents wages.



When 6 is occupied, people will settle on 5.



If a settler from 5 wants to farm on 6 land, he will have to pay the owner one bushel of potatoes for the privilege. Now we have the establishment of rent, the "margin of production." The best land to be had for nothing is now 5.

	6	5	4	3	2	1
Wages	○ ○ ○ ○ ○	○ ○ ○ ○ ○				
Rent	○					

It will become lower as settlers move to 4 land, and rent will still increase. Settlers from 4 land will pay one bushel to farm 5 land, and 2 bushels to farm 6 land.

	6	5	4	3	2	1
Wages	○ ○ ○ ○	○ ○ ○ ○	○ ○ ○ ○			
Rent	○ ○	○				

As the margin of production decreases, rent will increase, though the production remains the same. The overall standard of living falls.

Note that as wages decrease, rent increases.

So, if the population grows and people occupy #3, #2 and #1 land what will happen to the standard of living according to Ricardo and Malthus?

Suppose the first settlers took more land than they needed at the beginning. Would the standard of living be low or high - whether or not there was a high population? Draw the squares in your notebook and demonstrate.

6	5	4	3	2	1
Bushels of Potatoes					

Let's assume that the 6 squares represent Ireland in the 1840's. Where would most of the Irish farmers live? What would be their wages?

6	5	4	3	2	1
Bushels of Potatoes					

If 3 represented the poverty line in America we would call it the margin of production. What percentage of Americans would be below the margin of production? Federal aid only allows poor Americans to act as if they were above the margin. Is the system really changed? Or are they still at 3?

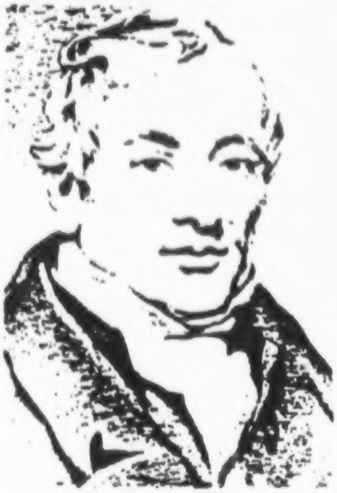
PIONEERS IN
ECONOMIC THOUGHT

Proponent of Economic Rent

David Ricardo, a successful London stockbroker, lived shortly after Adam Smith and was a contemporary of Malthus. The writings of both these men influenced Ricardo. Like them, he is considered a classical economist who advocated laissez faire rather than government control of the economy.

Ricardo is remembered for his writings on (1) the distribution of wealth among capital, labor, and land; (2) comparative advantage; and (3) rent. In discussing the theory of rent, he noted that if the supply of equally good land were unlimited, there would be no rent. That is, land would be a "free good" like air or sunshine. He believed that such a situation had once existed, and that the first farmers had taken the best land, forcing those who came later either to farm poorer land or to pay rent for good land.

Ricardo explained that if crops were grown on two kinds of land, highly productive Class A land and less productive Class B land, Class A land would yield a rent, but Class B would not. The rent for Class A land would be equal to the difference between the crop yields on the two kinds of land. If there were land even less productive (Class C), then Class A would yield a higher rent than Class B, while Class C would yield no rent at all. That is, rent is considered a "reward" for the high productivity of land. This productivity may be due to the natural fertility of the soil or to improvements made by the person farming it. As poorer and poorer land is cultivated, rents for the best lands increase. The chief exception to the rule is land that has a particular advantage, such as location near a good market or in the heart of a large city.



David Ricardo

(1772–1823)

Distribution of Wealth as a Society

Here is another way to look at the distribution of wealth. Wealth is needed for private and public needs. The amount spent on each will depend our the beliefs of a society.

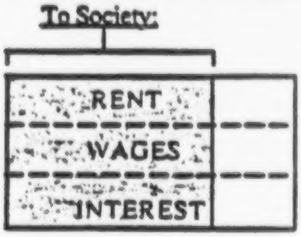
1) Read the charts below . If socialism is on the left and capitalism on the right, how would their distribution ideas differ?

2) How does Henry George's chart differ from the others. Look up his ideas in the library and see how he explains why this is so.

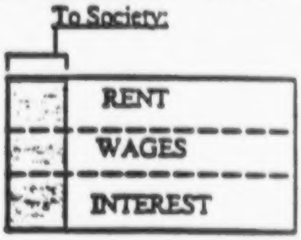
3) How does the United States and Europe differ?

4) Draw a chart in your notebook. How would you divide the wealth between public and private needs?

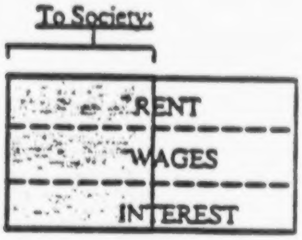
DIVISION OF WEALTH BETWEEN PRIVATE AND PUBLIC SECTORS



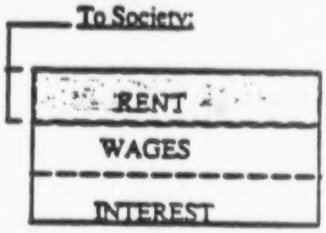
Socialist proposals call on society to take most of the wealth. This implies a "planned economy" and restriction on private property.



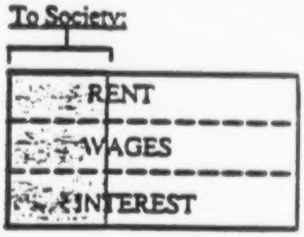
Capitalist proposals suggest that most wealth remain in private hands, and that society, or government get only the minimum it needs for necessary services. This implies leaving the running of the economy to private interests.



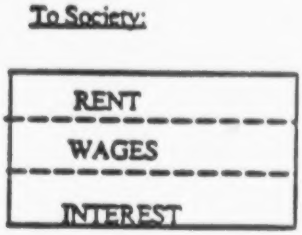
The "middle-of-the-road" proposals seek a "balanced system" the distribution of wealth and power between individuals and society. The nations of the European Economic Community, for instance, collect and spend about 50 percent of the their GNPs.



The Georgist proposal, while much like capitalism, makes a distinction between the unearned income of land (rent) and the earned incomes of labor and capital (wages and interest). Rent goes to society, wages and interest to the individuals who earned them.



The US model - We work, according to some, until May first for local, state and federal taxes. Therefore about one-third of the total is for government's use and two-thirds is private, or disposable, income.



Try your hand at your own model:

Key:

Goes to society: ☐

Goes to the individual: ☐

---

* *Wages form 75 percent of GNP but are shown here equal to rent and capital to simplify discussion.*

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Summarizing Land, Labor and Capital

Using the Trucking Industry as an Example In one year the trucking industry used:

1. **Land (natural resources)**

- 16,000,000,000 gallons of gasoline and other fuel
- 24,000 000 gallons of anti-freeze
- 1,000,000,000 quarts of oil

21,000,000 tires and 15,000,000 tubes

- 2,400,000 tons of steel
- More than 55,000,000 pounds of copper
- 88,000 tons of lead
- 19,000,000 square feet of glass
- 4,700,000 gallons of paint and thinner
- 33,000,000 pounds of aluminum
- 896,000 tons of rubber

2. **Labor:**

Employed 8,000,000 men and women as management and workers. Some ran the companies and others moved raw materials to factories and delivered the finished products where needed.

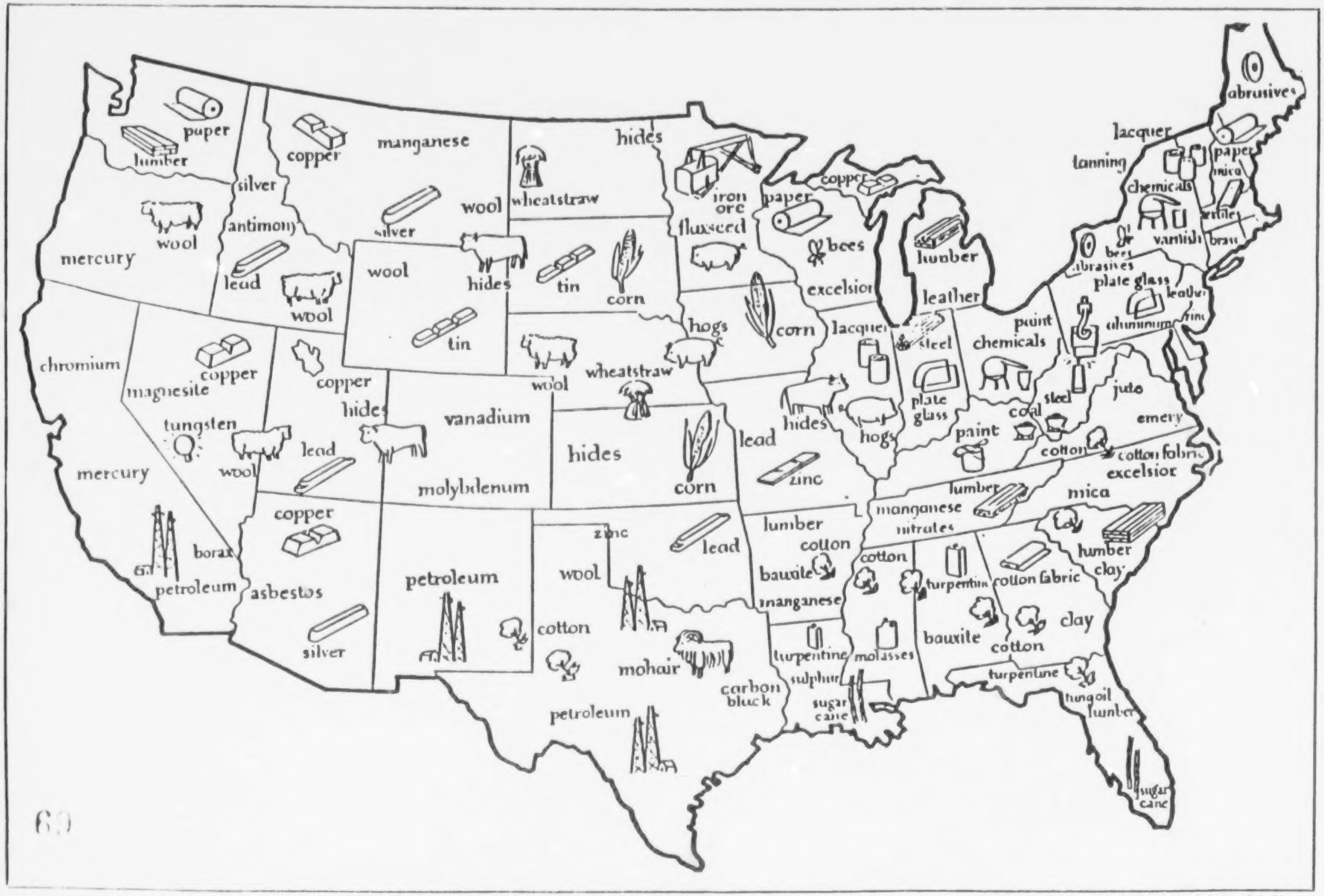
3. **Capital:**

Bought more than 1,000,000 new trucks and 60,000 trailers.

who finances

acres, bushels, cases,
crates, kilowatts,
gallons, board feet, tons,
head, bales,
and lugs?

Many of The Products Which go into making an automobile. All are capital.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mercury
bees
lumber
varnish
textiles
brass
lead
wool
tin
corn
bees
abrasives
plate glass
leather
wool
hides
excelsior
leather
aluminum
zinc
hogs
corn
lacquer
paint
chemicals
chromium
copper
tin
steel
magnesite
copper
hides
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jute
vanadium
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steel
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tungsten
lead
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wool
bauxite
cotton
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turpentine
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mohair
turpentine
molasses
bauxite
cotton
carbon black
sulphur
turpentine
petroleum
sugar cane
tung oil
lumber
sugar cane

Courtesy of Automobile News

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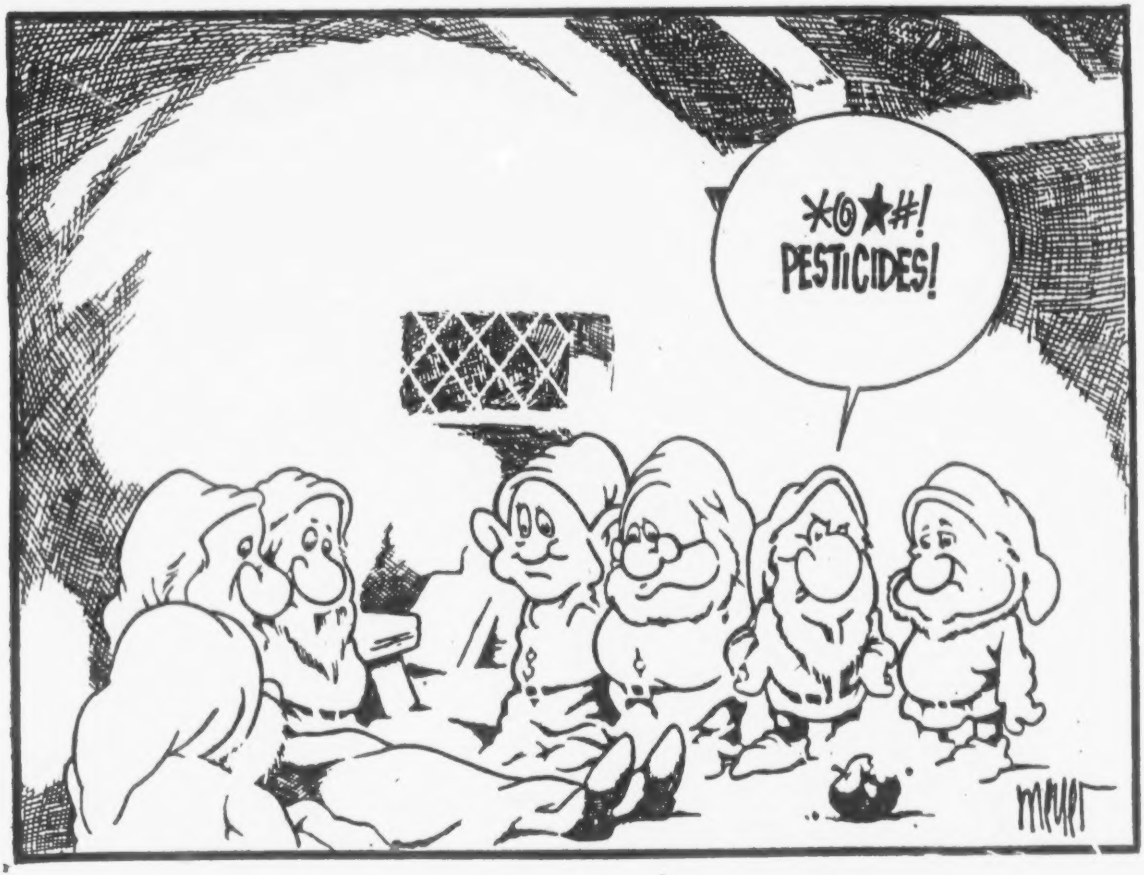
Extensions

Here are a few ideas for extending some of the learnings in the "Jamestown,Disneyland" unit.
Add your own here too.

1. One teacher used the Island Game a great critical thinking simulation - (attached) to have the students use their own ideas first about living in a new geographic space. Then they read this story on Jamestown.

2. Use the video on Jamestown which is part of the "American Heritage" series of the Henry George School of Social Science. Available free by writing the education director, Henry George School of Social Science in San Francisco, 1568 Shrader St. SF Cal 94117.

Wednesday, March 15, 1989



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4

Shipwrecked on an island

Adapted by E. Robert Scrofani, Berkeley High School, Berkeley CA 94704

This simulation can take several or more class periods. (I have kept the activity going for 3-4 weeks and used it as a benchmark for lots of other events and activities.) The students have an opportunity to draw on their own knowledge and beliefs to interact with each other and to increase their ability in critical thinking, the decision-making process and to experience the interdependence of land, people, innovation, organization, (management) and government. You can spend more time on some days or skip others.

Process: Divide the students into groups of about 5.

SITUATION: Following a global catastrophe, a group of students find themselves shipwrecked on a tropical island with no hope of rescue. There is enough food and water on the island to support the group and the temperature is about 80 degrees year round.

Distribute this entire sheet to all students or cut up cards, act out the parts of the shipwrecked students and have the entire class decide how to solve the problems.

Day 1: Leadership

Do you have a leader? What are the reasons for and against having a leader. List them. If you decide to have a leader, how would you choose the leader?

◆

(List 5 qualities a leader on the island should have. Select one person in each group who might have these qualities. These people could act as island representatives.)

Day 2: Labor and Capital

What work must be done? List the kinds of jobs required in order to survive. What kind of shelter would be built, for example?

◆

(Select 3-5 tools that the group might have rescued from the ship. Will these be shared?)

Day 3: Land/Location

Location: Where will you settle on the island? Small groups should recommend and present. Then the total group should decide. Or you can authorize the leader(s) to make decision.

◆

What will you do about the resources of the island? Should everyone own the island together (in common), or should you divide it up? If you divide it some people may not get land. Where will they live? Will they work on someone else's land or pay rent?

Day 4: Medium of Exchange

Should you have money? What problems do you have with and without money? If you decide to have money who will get the money and will everyone get the same amount regularly? What will you use for money?

Day 5: Community

Some members of the group disagree with some decisions you have made as a group and refuse to cooperate. What should you do about them? Should they be punished, left alone, or allowed to leave and live elsewhere?

Day 6: Authority

Do you need laws? If so, what laws? Who will make the laws? If you have leaders from each group will they make the laws for the entire group? How will rights of the non-majority be protected?

Day 7: Cooperation and Conflict

Another group is arriving on the island. What are your concerns? Will they be allowed to join your group? On what basis? If they choose not to join your group, do you "give" them half the island? Do you try to talk them into joining your group? Do you go to war to require them to do what you want?

◆

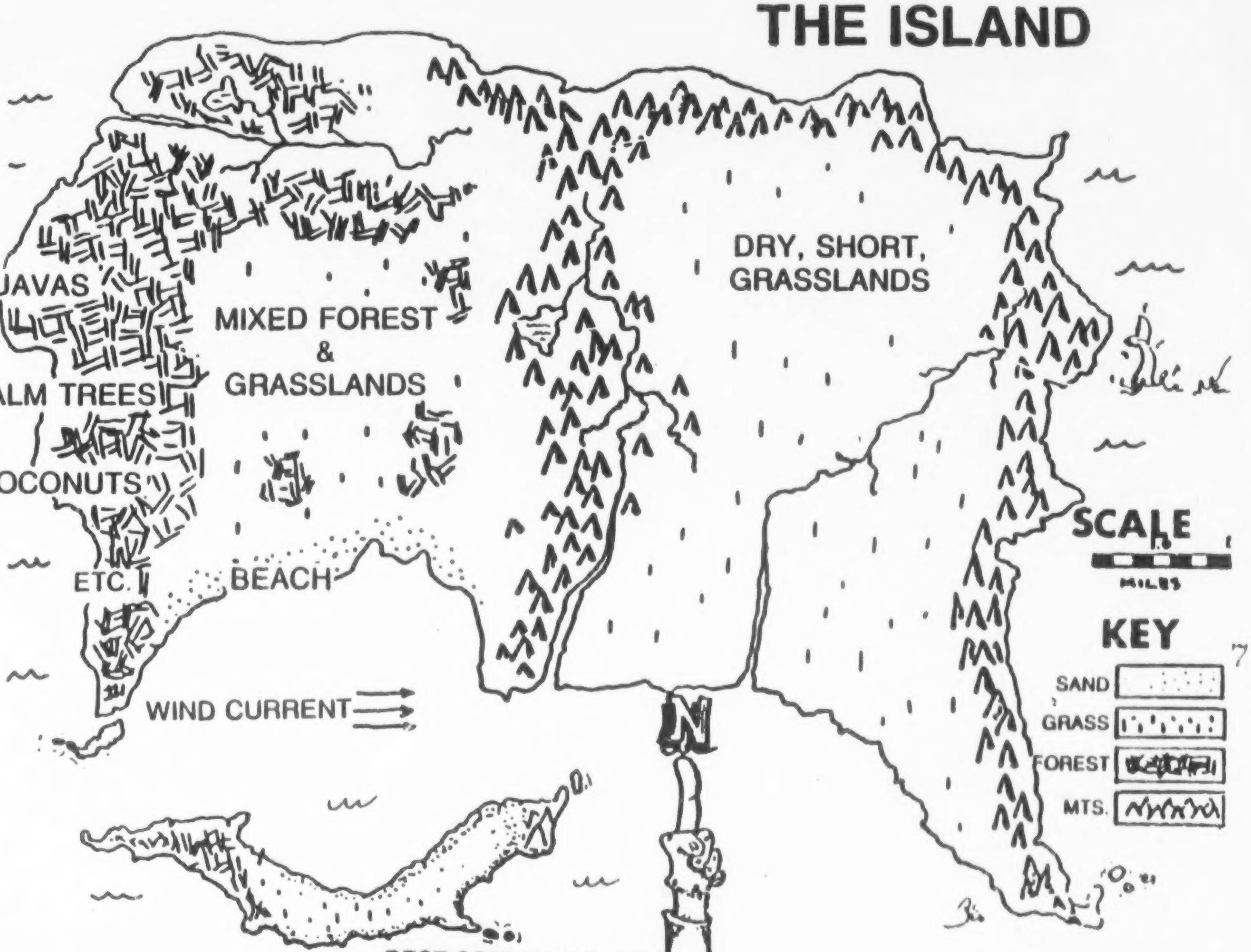
(You came to the island and used it. Do you now claim to "own" it? What reasons do humans give to claim the right to own the land (example: force, inheritance, etc.)

Day 8: The Landlord Comes

The landlord presents a "legal" deed to the island from an authority on another island. Should the island community respect it? Should the island residents acknowledge private ownership and pay rent? (See complete activity sheet for Day 8.)

◆

(Select a student to prepare the deed, act the part of the landlord, and claim rent. The landlord participates in a dialogue with one or more islanders.


THE ISLAND
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COCONUTS
ETC.
MIXED FOREST
&
GRASSLANDS
BEACH
DRY, SHORT,
GRASSLANDS
WIND CURRENT
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SCALE
MILES
KEY
SAND
GRASS
FOREST
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BUSINESS EXTRA

INVESTMENTS PAGE C4
BUSINESS CALENDAR PAGE C8
DATA BANK PAGE C10

Disney's Financial Wizardry

Under CEO Eisner, the company has gone from the edge of disaster to the pinnacle of success

BY JOHN ECKHOUSE
Chronicle Staff Writer

Burbank

It takes only a sneak peek at a new building under construction here to grasp the strategy that has made The Walt Disney Co. *the* California success story of the 1980s.

Down a few steps from the intersection of Mickey Avenue and Dopey Drive, workmen race to complete the company's dramatic new headquarters. Although ultramodern in design, the building is supported by two-story-tall versions of the seven dwarfs made famous in Disney's classic movie "Snow White."

A blending of past and future, tradition and avant-garde, the building perfectly reflects Disney's direction since Michael Eisner and associates took the reins of management five years ago this week. By exploiting the company's famous past and injecting its movie-production and theme-park operations with up-to-date ideas, Eisner brought the company from the edge of disaster to the pinnacle of success.

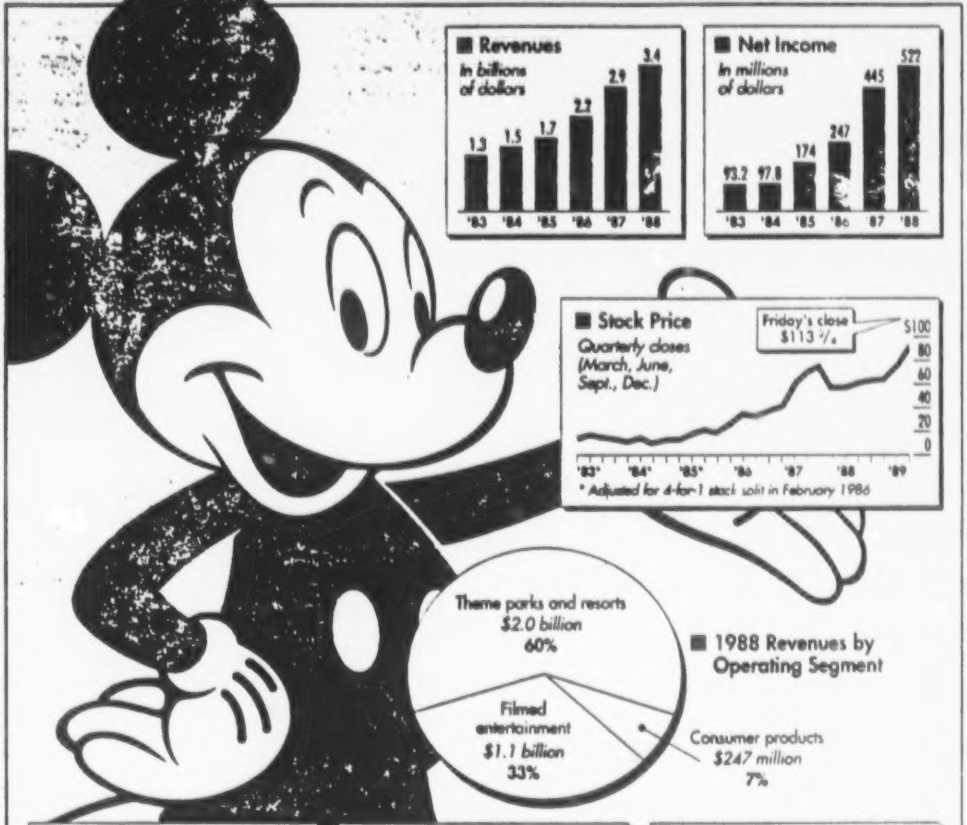
The company's stock has jumped from about $12.50 a share in 1984 to $113.75 Friday, net income surged from $97.8 million in 1984 to an estimated $695 million this year, while revenues zoomed from $1.5 billion to a projected $4.4 billion in the year that ends September 30.

Disney even accomplished something last year it never succeeded in doing under the magical leadership of founder Walt Disney. The company's film studio become the leader in box office receipts among all Hollywood studios with such 1988 hits as "Who Framed Roger Rabbit," "Good Morning Vietnam" and "Three Men and a Baby." Only four years earlier, Disney finished last at the box office.

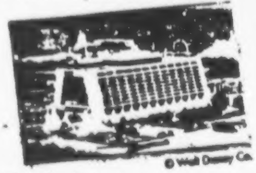
This summer Disney shocked the Hollywood industry again, ranking second with three films — "Honey, I Shrunk the Kids," "Dead Poets Society" and "Turner & Hooch" — that movie critics thought unlikely to attract large audiences.

The future looks just as bright. The studio's "Dick Tracy" may become the film event of 1990, given the success of Warner's "Batman" this summer. Theme-park revenues should hit record levels because of the opening this year in Florida of three new entertainment attractions, each with a separate admission charge. Next year four more major Disney hotels come on-line, and in 1992 the hotly awaited Euro Disneyland opens outside of Paris.

WALT DISNEY COMPANY / *AT-A-GLANCE*



■ Theme parks and resorts


© Walt Disney Co.

Disneyland, *Anaheim*

Walt Disney World, *Orlando, Fla.* (includes five parks with separate admissions)

Spruce Goose, *Long Beach*

Tokyo Disneyland*

Euro Disneyland**, *Outside Paris*

Hotels:
California: Disneyland Hotel, Hotel Queen Mary
Florida: Disney's Grand Floridian Beach Resort, Disney's Contemporary Resort, Disney's Polynesian Resort, the Disney Inn, Disney's Caribbean Beach Resort, Walt Disney World Swan Hotel, Walt Disney World Dolphin Hotel, Disney's Beach Club and Yacht Club Resort, Disney's Fort Wilderness Campground, Dixie Landing, Mediterranean, Disney's Village Resort, Disney Village Hotel Plaza

* *Not owned; company receives royalties only.*
** *50 percent owned; open in '92.*

■ Consumer products

© Walt Disney Co.

Licensing (More than 3,000 companies produce more than 16,000 products under license from Disney)

Disney Stores

Disney mail-order catalog

Childcraft Education Corp. (Company-owned unit that markets children's products)

Disney books, comic books, magazines and computer software

Walt Disney Records

■ Filmed entertainment

© Walt Disney Co.

Walt Disney Pictures (Examples: Bambi; Fantasia; The Absent-Minded Professor; Honey, I Shrunk the Kids)

Touchstone Pictures (Examples: Three Men and a Baby; Good Morning Vietnam; Who Framed Roger Rabbit)

Hollywood Pictures (First releases scheduled for spring 1990)

The Disney Channel (A pay television programming service)

KHJ (A Los Angeles television station)

Metrocolor Laboratories (A film processor*)

Walt Disney Television (Examples: Golden Girls; Empty Nest; Magical World of Disney; Siskel and Ebert, Win, Lose or Draw)

Home Video (130 titles now available on videocassette)

* *50 percent owned.*

Tokyo Journal

Real Estate No Mortal Can Afford Anymore

By DAVID E. SANGER
Special to The New York Times

TOKYO, Sept. 6 — The real estate boom here has been long out of hand, but many people were still shocked when a Government-affiliated research group calculated a few months ago that the book value of all the land in Japan — $13.47 trillion and change at current exchange rates — easily exceeded the value of all the land in the United States.

That is a lot of money for a country that, as countless self-effacing Japanese executives frequently remind interviewers, is only an island nation with few natural resources.

Now, quite suddenly, the boom has stopped cold. After two and a half years of speculative fever that created some of the world's most expensive city blocks, making some pieces of land the size of this newspaper page worth upward of $80,000, prices have even slipped a bit.

It was no accident: Government bureaucrats, terrified that land inflation threatened Tokyo's vision of itself as the international capital of the 21st century, abandoned their free-market statements and started knocking down the prices of the city's biggest land deals. Just to make sure that the tactic worked, they also instructed banks to all but stop lending money to land buyers.

Everything Is Different Now

"The craziness is over," Teruo Yoshioka, a ranking official of the Tokyo metropolitan government, said in his office the other day, amid stacks of aerial photographs and maps sketching dozens of different schemes for rebuilding Tokyo by 2010. "But the prices have changed everything."

However, the intervention came late, and now the millions of residents of greater Tokyo have come to discover that the boom transformed their city in ways no one predicted.

For example, it accelerated the depopulation of the city's central wards, as homeowners, no longer able to resist, sold their houses to office-tower developers and fled to the suburbs. Now at night, some streets in the core of the city are eerily empty.

The change in land values also set back the debate over whether it makes sense for Tokyo to be focused on one or two towering business districts — like New York — or whether it should be spread among seven or eight — more like Los Angeles. Not surprisingly, it has also touched off scores of political battles with big financial stakes, mostly over zoning rules that now block developers' visions of a high-tech, high-rise and high-profit center city.

Some Wild Schemes

And the change has given birth to scores of wild schemes to deal with Tokyo's shortage of office space, most of these ideas unlikely to get off the drawing boards but still the stuff of dinnertime speculation. One plan is for office towers on barges floating in Tokyo Bay; another would put offices in giant tunnels under the city, deep enough so that workers would not be disturbed when the subway rattles overhead.

As you might expect, the long-awaited end of the boom also brought out a flurry of last-minute profit-takers.

First among them was the Government of Australia. The Australians own one of Tokyo's most stately embassies — in Mita, an upscale neighborhood near the nightlife scene in Roppongi. Recently the Australians decided that, to refurbish their embassy and pay for needier projects at home, they could part with about 64,000 square feet of its land, including part of one of the most beautiful gardens in the city.

When the fierce bidding ended a few months ago, the winner was C. Itoh, the big Japanese trading house. The agreed-upon price was 57.53 billion yen, equivalent to about $425 million.

Japan said it was too much.

"They asked us to reduce the price, and we understood," said Howard Debenham, a counselor at the [illegible]sy. No one is saying exactly how much it was shaved, but the figure appears to be around $25 million. "We still did O.K.," Mr. Debenham said.

Now Argentina is putting some of its land on the block, and Peru and Malaysia said they will follow suit.

Relief for the Privileged

The situation is acute enough that the Japanese Foreign Ministry is at work on a plan to build modest embassy space to be shared by many nations, a sort of public housing project for diplomats.

No such relief is available for Tokyo's middle class, though, especially those unlucky enough not to have bought a house shortly after the American occupation following World War II.

In a land where it is virtually impossible to be evicted legally, and where space is severely limited by geography, renters in recent years have faced speculators who have been known to resort even to assault to clear out housing for landlords trying to tear down buildings.

Even Japan's new class of paper millionaires, its owners of small homes, are unhappy. "All that the land boom has done for us is raise property taxes," says Shunichi Sohma, a researcher for the National Land Agency who commutes into Tokyo each day from his father's house in a distant suburb.

As many Tokyo homeowners flee, enter the profit-takers and developers.

Where the disproportionate effects of the boom are most evident is in central Tokyo, the area that seems permanently immune to Japanese Government efforts to spread the wealth to other parts of the country.

Light Fiction on the Ginza

On blocks along the Ginza, the entertainment district, and Marunouchi, the central business district, the Land Agency estimates that nine square feet of land now costs $255,000.

Mitsubishi Estates, which owns about a third of the Marunouchi district, estimates the value at triple that, but no one has sold much land there recently.

Now Mitsubishi is proposing to tear down the whole neighborhood, an endless row of bland 10-story buildings where concrete hallways and bare pipes give the air of an aging college laboratory. They would be replaced with something befitting Japan's new stature: 60 gleaming office towers connected by underground walkways and laced with fiber-optic computer networks.

But the Tokyo municipal government favors decentralizing the city and creating seven or eight hubs. It is taking the first step: in 1990, the entire municipal administration — from its battleship-gray file cabinets to its ward heelers — will abandon Marunouchi for Shinjuku, a growing office center in western Tokyo.

More office space is planned as part of a huge landfill project for Tokyo Bay, an effort to keep offices from oozing into Tokyo's few remaining quaint neighborhoods.

It is probably too late. Today, chance encounters with traditional, dark-wooded old Japanese houses on Tokyo's winding back streets are rarer and rarer. With prices this high, buildings that miraculously survived the Allied firebombing are falling daily to wrecking balls, replaced by office towers or drab concrete

Associated Press for The New York Times

Ginza district in Tokyo, where, in the wake of Japan's real estate m, nine square feet of land is valued at $255,000.

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FRANKLIN D. ROOSEVELT

"AN ECONOMIC BILL OF RIGHTS . . . "

"Fireside Chat"

January 11, 1944

Roosevelt returned home from the Cairo and Teheran summit conferences in December, 1943 to political bickering, a rise in racial tensions, a threatened railroad strike, a conservative resurgence in Congress, and war profiteering. He told a reporter that "Dr. Win-the-War" had replaced "Dr. New Deal." Had he killed the New Deal for the duration? **** *On January 11, Roosevelt delivered a "fireside chat" that one biographer called "the most radical speech of his life." He denounced "selfish pressure groups." The President called on Congress to enact (1) "a realistic tax law — tax all unreasonable profits;" (2) "a renegotiation of war contracts which will prevent exorbitant profits;" (3) "a cost of food law," "a reasonable floor" under farm prices," and "a ceiling on prices a consumer" pays; (4) "reenactment of the stabilization statute" of 1942; and (5) "a national service law — (to) make available for war production or for any other essential service every able-bodied adult in the Nation."* **** *Then Roosevelt laid out a post-war domestic program that called "Dr. New Deal" back into action. He linked "the old bill of political rights against government to the new bill of economic rights to be achieved through government." Roosevelt described the pursuit of political liberty, equality of opportunity, economic security, and the general social welfare as mutually supportive and compatible.*

1) **What was Roosevelt trying to accomplish by this speech in the middle of WW II?**
2) **How did Roosevelt's concerns and proposals link domestic events and foreign policy? Relate this speech to the principles set forth in the Atlantic Charter and the "Four Freedoms" speech of 1941. (Part II, #23).**

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". . . This Republic had its beginning . . . under the protection of certain inalienable political rights — among them the right of free speech, free press, free worship, trial by jury, freedom from unreasonable searches and seizures. They were our rights to life and liberty. . . .

As our Nation has grown in size and stature, however — as our industrial economy expanded — these political rights proved inadequate to assure us equality in the pursuit of happiness.

We have come to a clear realization of the fact that true individual freedom cannot exist without economic security and independence . . . People who are hungry and out of a job are the stuff of which dictatorships are made.

. . . these economic truths have become accepted as self-evident. We have . . . a second Bill of Rights under which a new basis of security and prosperity can be established for all — regardless of station, race or creed.

Among these are:

The right to a useful and remunerative job in the industries or shops or farms or mines of the nation;

The right to earn enough to provide adequate food and clothing and recreation;

The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;

The right of every business man, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;

The right of every family to a decent home;

The right to adequate medical care and the opportunity to achieve and enjoy good health;

The right to adequate protection from the economic fears of old age, sickness, accident and unemployment;

The right to a good education.

All of these rights spell security. And after this war is won we must be prepared to move forward . . . to new goals of human happiness and well-being."

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The United States fought on to victory in Europe and the Pacific. In November, 1944, Roosevelt defeated the Republican presidential candidate, Thomas E. Dewey, to win a fourth term. 1945 brought the United Nations and the Nuclear Age. In August 1945, the United States stood victorious

(81)

LAND OWNERSHIP IN THE U.S.A.

In the United States, there is
more space where nobody is
than where anybody is.
--*Gertrude Stein*

58% (1.3 billion acres) of the total land in the United States is privately held.

70% of our population lives on 2% of the land. Those who live in our 200 largest cities take up only .7% of the land.

2% (26.3 million acres) is residential and enjoys the broadest distribution among individual landowners, owned by some 50 million "entities".*

3% (40 million acres) is classified as commercial, industrial, nonfarm, waste, and miscellaneous and is owned by 3 million entities.

95% (1.2 billion acres) of privately held land is ranch, farm, and forest-land and is owned by only 7.5 million entities.

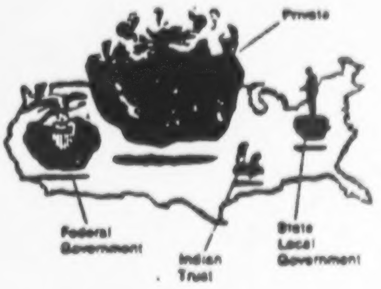
568 companies control 301.7 million acres of U. S. land -- more than 11% of total land area and 22% of all the private land. Those same companies' land interest worldwide comprise a total area larger than that of Europe – almost 2 billion acres.

At best, a generous interpretation (that each entity is a different individual) would suggest that about 3% of the population owns 55% of all American land and 95% of the privately held land.

During the past 50 years 40% of the farm population was squeezed out of their livelihood. From 1940-1960, 22 million people left rural America for the cities. Presently small and medium sized farmers are leaving their land at the rate of 2000 per week.

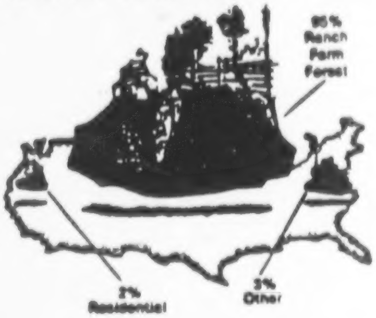
Source: *"Land Rush: A survey of America's Land -- Who owns it, who controls it, how much is left," by Peter Meyer, Harper's Magazine, January 1979.*

OVERALL OWNERSHIP OF U.S.



Federal Government	761 million acres
State and Local Government	136 million acres
Indian Trust Land	50 million acres
Private	1,317 million acres
TOTAL	2,264 million acres

OWNERSHIP OF PRIVATE SECTOR



Abraham Lincoln (1809-1865): The land, the earth God gave to man for his home, sustenance, and support, should never be the possesion of any man, corporation, society, or unfriendly government, any more than the air or water, if as much. An individual, or company or enterprise requiring land should hold no more than is required for their home and sustenance, and never more than they have in actual use in the prudent management of their legitimate business, and this much should not be permitted when it creates an exclusive monoply.

* Land ownership statistics were compiled by Dr. Gene Wunderlich, an economist with the Agriculture Department's Economic Research Service. The use of the word "entity" is purposeful because estimates relied on information about tracts of land, not people, as there was no way of knowing whether owner/entities were the same individual or corporation.

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Biography E. Robert Scrofani

Bob Scrofani, a teacher 30 years is on the history faculty of Berkeley High School, Berkeley, Cal. He was a Fulbright Fellow, an NEH fellow in Constitution studies at UCB and the recipient of numerous awards for outstanding and innovative teaching. Active in developing new curriculum he presents frequently at national and state workshops and is the author of materials on global education, women in history, Appalachia and ethics and economics. He is an avid traveler,in both Europe and Asia. Scrofani is active in CCSS and NCSS and Northern California Geographic Alliance. Proclamations of "E. Robert Scrofani Day" were made by the Mayors of San Francisco and Berkeley to mark his many contributions as a teacher.

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Biography: Robert Tideman

Author Robert Tideman is the President of the Big City Montessori School in San Francisco. For many years he was the director of the Henry George School of Northern California. He served as a research consultant on land issues and led many adult discussion classes in economic philosophy. He was a commentator on issues of the day for KPFA Radio in Berkeley, and a columnist for the Pacific Sun in Marin, in addition to many newspaper opinion columns His radio addresses appeared as *Timely Topics from Tideman* and gained a large statewide circulation. An active member of the Commonwealth Club, and a lively racounteur, Tideman now devotes most of his energy to the running of San Francisco's most preeminent Montessori school.

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